STOCKEOUS RE

WORLD NEWS

Krenz grants amnesty in **East Germany**

Gartmore Money Management Ltd.

Egon Krenz's East German Government yesterday declared an amnesty for dem-onstrators, refugees and thou-sands of people jailed for try-ing to escape to the West. As many as 4,000 are thought to have been imprisoned for trying to flee the country, and the amnesty marks the first concrete reform of Mr Krenz's 10 days in office. Page 22; Krenz to visit Moscow soon,

IRA 'regrets' murder The IRA admitted murdering an RAF corporal and his sixmonth-old daughter in West Germany on Thursday and said it "profoundly regretted" killing the baby girl.

West Germany's Justice Min-ister, Hans Engelbard said: "The killers have apparently gone mad in their blind politi-cal fanaticism."

BAe court hid falls British Aerospace failed to obtain a High Court injunction to stop strikes planned at two of its factories from Monday.

Kenya inquest verdict The Nairobi inquest into the death last year of English tour-ist Julie Ward found that she mauled to death by wild animals as Kenyan police had maintained. Her father, John Ward, who consistently cam-paigned for a murder verdict, said he would now try to uncover her killers.

US prison riot ended Police stormed an overcrowded Pennsylvania prison and regained control after two nights of rioting in which 100 people were burt and prison buildings set on fire. Four hostages were freed.

Soviet miners defiant Miners in the Soviet Arctic city of Vorkuta refused to end their strike and the authorities prepared to launch legal action against them. Workers at other pits in the region had resumed work at midnight on Thursday.

italian 'set alight' An Italian worker shot dead amid a surge of anti-Italian feeling in the Libyan capital, the Italian ambassador to Trip-

£37m cannabis haul Customs officers confiscated 15 tons of cannabis worth more than £37m from Honduran-reg-istered ship in the English Channel The Altea was escorted to Dover and seven

of its crew arrested. Risk of ferry chaos Ferry travellers between Britain and France face the risk of cancellations or long delays this weekend because of industrial action by French seamen, who began blockading Calais and Dieppe yesterday.

End of a KQB era The Soviet KGB has shut down one of its main departments for investigating and watching political dissidents. The so-called Fifth Department was for decades the scourge of Soviet dissidents. Page 2

Abbey share charges Alexander Scott, 47, of Bexley and Michael Hanratty, 24, of Woolwich, both South London, were charged with conspiring to destroy Abbey National share certificates. Both men were conditionally balled until February. Page 4

Easy-open can king dies The American who invented the pull tab openers for drink cans has died aged 75 in Day-ton, Ohio. Ermal Cleon Fraze's 1959 invention was used on about 150hn easy-open cans last year, said his company, Dayton Reliable Tool and Man-nfacturing.

End of summer time British summer time ends officially at 2am tomorrow. Clocks should be put back one hour.

BUSINESS SUMMARY take control

Polly Peck International, UK-based electronics and fresh produce group, announced that it would buy a 51 per cent stake in Sansui, the troubled minor Japanese audio group, for Y15.6bu (269.7m).

Polly Peck is only the third: foreign entity to take control of a quoted Japanese company. Page 8; Lex, Page 22

COSTA RICA reached agreement in principle with private commercial banks for relief of \$1bn (£630m) on its \$1.5bn debt. The deal includes a high level of debt relief and a capitever of these renes and a capa-talisation of past inferest pay-ments and is the first such deal with a country that is in arrears to the banks. Page 22 GENERAL MOTORS, world's

biggest car maker, was given clearance by the US anti-trust authorities to start buying company to 13.2 per cent.

GOLD bullion closed at its highest level for three months in London, fuelled by falling share prices on both sides of the Atlantic and a fall in the dollar. The metal broke through \$370 an ounce in early trading and ended \$5 higher at \$374 an ounce. London Bul-lion Market prices, Page 10

US TREASURY is preparing to borrow \$17bn (£11bn) on an emergency basis early next week so it can pay social secu-rity benefits to 38.9m pension-ers and put off a default by the federal Government for

INSIDER TRADING: Three chartered accountants were cleared by an Old Bailey jury of insider trading while working for London accountancy firm Touche Ross. David Holyoak, Ian Mori and Arthur Hill were charged after buying shares in a company in August 1987, seven minutes before the announcement of a takeover deaf which boosted their value

to reduce its dependence on

GRATTANS, mail order com-Yorkshire. It blamed rising interest rates.

said a Gatt official. Mainly agricultural products will be affected by the lifting of the. restrictions, which were imposed for balance of pay-

NEC, one of Japan's largest electronics groups, reported a 13.6 per cent increase in interim profits to Y47.2bn (£211m), as increasing sales of computers and semiconduc-tors offset a decline in sales

ment. Page 10 UNISYS, US computer systems manufacturer, reported a third-quarter net loss of \$648.2m (£411.1m) compared

ORKEM, French state-owned chemicals producer, is to pay \$345m (£218m) for Bostik, US-owned chemical adhesives and

LIN Broadcasting, owner of some of the most valuable US celiniar telephone licences, stepped up its defences against a bostile takeover hid from McCaw Cellular Communications by agreeing to pay \$1.9bn (£1.2bn) to buy out Metrome-

FERGUSON Industrial Holdings, UK printing, packaging and plastics group, lifted pretax profits by 7.7 per cent to £6.29m on turnover up by 14.7 per cent to £73.36m. Page 8

Polly Peck to of Sansui

shares in Jaguar, UK hixnry car maker. Ford of the US, which has made a hostile approach to Jaguar, said it had increased its holding in the

a week. Page 2

NORTH SEA'S Pickerill gas-field is expected to become the first to be developed solely for power generation as part of the electricity industry's move

pany, is to cut 500 jobs at its base in base in Bradford, West

SOUTH KOREA agreed to remove import restrictions on 273 products by the end of 1997, ments reasons.

time. Page 10

dia, its main partner in one of New York City's two cellular

STOCK INDICES

2,082.1 (-47.3)

FT Ordinary: 1,678.5 (-42.0)

FT-A All-Share 1,052.55 (-2.1%)

New York kinch DJ ind. Av.

2,588.93 (-24.80)

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Weekend October 28/October 29 1989

Mrs Thatcher, accompanied by Mr. Kenneth Baker, speaks to press and television reporters outside 10 Downing Street vesterday

Thatcher pledges business as usual from new team

By Philip Stephens, Political Editor

MRS Margaret Thatcher yesterday began the task of rebuilding the shattered confidence of her supporters with a pledge that her new team of senior ministers would stick firmly with the Government's existing policies.

Her promise of "business as usual" after the dramatic resignation of Mr Nigel Lawson came as Mr John Major, the new Chancellor, sought to maintain calm on financial markets by signalling that he favoured a "firm exchange

The flurry of confident ministerial statements, however, failed to dispel the unease of Conservative MPs over what

many see as one of the most serious political crises Mrs Thatcher has faced during a decade in office. Amid sombre private assess

ments of the outlook from senior members of the Government, there was speculation that dissident backbench MPs might mount a symbolic chal-lenge for the party leadership next month. Ministers said that the epi-

sode bad undermined Mrs Thatcher's authority in the calinet and would force her to adopt a more collegiate style of Government — relying more on the advice of ministers and less on that of her advisers in Downing Street.

Mr Major's statement -stressing that he will maintain interest rates at high levels until inflation is brought down - was seen as foreshadowing a further short-term slump in the Government's popularity. Ministerial colleagues said that Mr Major's determination to bring down the inflation rate meant that he would rule out tax cuts in his first Budget next March. Mr Neil Kinnock,

next March. Mr Neil Kinnock, the Labour leader, promised to step up the Opposition attack on both the Government's eco-nomic strategy and on Mrs Thatcher's style of leadership. In a speech later today, Mr Kinnock will argue that her refusal to sack Sir Alan Wal-

ters in order to keen Mr Lawson in the Government demonstrated that she was no longer fit to hold the office of Prime

Mr Major also faces a full-scale debate on the econ-omy in the House of Commons on Tuesday when Mr John Smith, the shadow chancellor, will try to repeat the success he achieved earlier this week in a performance seen as con-Continued on Page 22

Chancellor's resignation, Page 5; Mrs. Thatcher and the party, Page 6; Tories and the Community, Page 6; Editorial Comment, Page 6; The new Chancellor's problems, Page 7

Lawson praises Major in a final autumn statement

By Ralph Atkins in Blaby

THERE WAS no great crisis in Blaby, Leicestershire, yesterday. The pound still bought the same volume of groceries at Waltrose supermarket; the intuities rate on the Britannia Building Society's fixed rate bond was unchanged and the Rt Hon Mr Nigel Lawson was still the MP.

idnight after the drama of Thursday night. At 11.30am yesterday, the departed Chancellor came out on the lawn of his red-brick house and gave fulsome support to his succes-sor saying Mr John Major was "an excellent man and a first class minister",

Up to 100 reporters and pho-

tographers, who had clustered around the high wall sur-rounding the Old Rectory, rushed to meet their deadlines leaving a_television crane reaching above the trees for an aerial shot of the red-brick

Mr Lawson returned inside. The Chancellor had fallen, the antumn leaves were falling and calm returned to Stoney Stanton, the tiny village a few miles outside Blaby, where Mr Lawson lives.

"I should not have liked his job." said Mrs Bey Hardy, a neighbour. "He will go for a quiet life now."

That remains to be seen. Continued on Page 22

Defeat of inflation 'remains priority'

By Patrick Harverson and Rachel Johnson

MR JOHN Major, the Chancellor, said last night be favoured a firm exchange rate

for the pound. In his first substantial state ment on exchange rate and economic policy, the new Chancellor told his Huntingdon, Cambridgeshire, constitu-ency, that the defeat of inflation remained

Government's highest priority.
The statement came too late, however, to reassure financial

Sterling, the value of equi-ties and UK Government bonds fell sharply in London amid earlier uncertainty in financial markets about UK economic policy after Mr Nigel Lawson's resignation as Chancellor on Thursday and the expected policy stance of the largely

mknown Mr Major.

The pound was sold steadily throughout the day. Overseas investors were said to have been particularly heavy sellers

of the currency.

Share prices were also marked sharply lowar before he spoke, after heavy foreign selling. The FT-SE 100 Share Index closed down 47.3 at 2,082.1. Prices of long-dated UK government bonds fell two points to yield 10.2 per

Last night the Chancellor warned of a difficult period ahead for the British people. Ending inflation would not be Continued on Page 22 Money Markets, Page 11; World Stocks, Pages 12 and 13; London Stocks, Page 15; Lex, Page 22

We<u>ek</u>end



TWO OLÉS **FOR** DEMOCRACY

Voters go to the polls tomorrow in the third general election since the death of Frenco. Peter Bruce assesses the political stete of the nation end concludes the system Isn't doing its job Page I

Finance How to pick a PEP without getting into a pickle Pages III-VI

How to Spend It Lucie van der Post visits Michel Roux In the kitchen of his Berkshire cottage XVII

Motoring Stuart Marshall tips Europe's Car of the Year Pages VIII

Books John Plender reviews

Anthony Samoson's "The Midas Touch" Pages XV

Arts Concert-goers with conservative tastes are not helping London's South Bank concert hells, thinks

> Antony Thorncroft Pages IX-XI

China says Britain is seeking to destabilise Hong Kong

By Robin Pauley and Colina MacDougail in Peking

Nigel Lawson and his wife provide a photo-opportunity outside their Blaby, Leicestershire home yesterday

CHINA has accused Britain of deliberately destabilising Hong Kong by casting doubt on the confidence of the colony and questioning the interpretation of the colony's post-1997 Basic

"Britain has adopted an erro-neous policy," said Mr Qian Qichen, China's foreign miniswith net income of \$151m last ter.
"Regrettably the British
Government has decided to

take advantage of develop-ments in China and wants to retable issues which have already been discussed, agreed and decided on the pretext that sealants group. Page 10 and decided on the pretent that there is a problem of confidence in Hong Kong," he said.

The result was that Britain had fanned a fire, causing many more Hong Kong people to want to emigrate to Britain only to be told that the British Government would not give them right of abode. "This is lifting a rock only to drop it on your own feet," said Mr Qian, quoting an old Chinese proverb. licences. Page 10

Britain might think it was only raising details when it

questioned aspects of tha hand-over of the colony to China in 1997, and the Basic Law which will come into oper-

"But what the British gov-ernment might consider details could be considered by us as principles which must be abided by strictly."

Earlier this week Mrs Mar-garet Thatcher asked the Commonwealth summit in Malaysia to call on China to restore

confidence. The summit communique asked Commonwealth mem-bers to help Hong Kong's continued prosperity. China accused British officials of try-

accused British officials of trying to turn Hong Kong into an
international issue.

Mr Qian conceded that
events in China in June, when
the People's Liberation Army
was ordered to open fire on
peaceful demonstrators in
Peking, killing a large number,
lad affected confidence. Howhad affected confidence. However, the main cause was Britain's "highly erroneous" policy of not abiding by clear agreements already reached.

The situation in Macao is much better than in Hong Kong and that is because Britain and Portugal have adopted different policies," he

Mr Qian's comments followed a warning by Mr Li Peng, China's Premier, that Britain must not make Hong Kong an international issue. The Peking Government would regard that as "absolutely unacceptable," he said.

Mr Qian was also strongly

critical of the US, saying Sino-US relations were at a cross-roads and President Bush could do something about which course they take.

Developments in China in May and June did not affect any of the interests of the US.

"While Britain can find an excuse by saying that events have affected Hong Kong the US cannot find such an axcuse." Yet the US had imposed financial sanctions on China which were undoubtedly harming it, but which were also harming US entrepre-neurs, said Mr Qian.

CONTENTS

Mrs Thatcher and the party: A depreciating electoral asset The Tories and the Community: ---An axe over the party

Editorial Comment: .. Constraints on Mr Major The new Chancellor's problems: Groping for clarity in a house divided The boat people:

3-5

History's bitter cup

Austria Sch22; Bahrain Din0.700; Bermuda 61,50; Belglum BFr50; Canada CS1,00; Cyprus C00,90; Derament DKy10.00; Egypt E52,25; Fin Phyl.7.00; Prance FF77.00; Germany OME,90; Grégoe Dr150; Hong Kong HIGS12; Iceland IGN123; India Ruppic Indonesia Bp5,100; Ireland ID Iarrain NS3.50; Ray L200; Jasen Y800; Jordan Fils1.00; Kuwatt Fila.500; Lebenon DL400; Lucembourg LFr50; Melaysia Rio4.23; Malia.40; Melaysia Rio4.23; Melaysi

90% did not.

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MARKETS

STERLING New York & \$1.5795 \$1.5765 (1.6125) DM2.885 (2.965) FFr9.7975 (10.06) SFr2.5225 (2.5925) Y223.75 (228.50) £ index 88.2 (90.1) COLD

New York: Comex Dec \$379.8 London: \$374 (369) N SEA OIL (Argus) Brent 15-day Nov \$19,025 (-0.45)

Chief price changes vesterday: Page 26

US LUNCHTHAN
RATES
Fed Punds 834 %
3-mo Tressury Bille:
yield: 7.980%
Long Bond:
1023
yield: 7.928%

DOLLAR New York i DM1.8298

US LUNCHTIME

DM1.8293 FFr6.213 SFr1.5995 Y141.84 Londons OM1.8305 (1.838) FFr6.215 (6.24) SFr1.8005 (1.608) Y141.95 (141.85) \$ index 69.6 (66.5) Tokyo close: Y142.75

334.02 (-3.91) Tokyo: Nikkei 35,527.29 (-151.20) LONDON MONEY closing 15% % (15%) Little long glit future: Dec 92,32 (9332)

S&P Comp

Ban on speech highlights US split over Gorbachev

LONG-RUNNING differences within the Bush Administration about the prospects for internal reform in the Soviet Union have erupted publicly in the blocking of a speech by Mr Robert Gates, the deputy national security adviser, at the insistence of Mr James Baker, the Secretary of State. Mr Baker and his staff

rejected two drafts of the speech because they regarded it as excessively pessimistic about President Mikhail Gorbachev's chances of success, espe-cially in relation to the Soviet Union's economic and ethnic

The State Department does not believe US officials should be publicly writing off Mr Gor-bachev's policies and future, whatever their widely-shared private doubts.

Consequently, Mr Baker told Mr Breut Scowcroft, the national security adviser and Mr Gates' superior, that it would be best if the speech was uot delivered. He did not want misleading signals to be given at a time of closer discussions between the US and the Soviet

The dispute follows two recent speeches by Mr Baker bachev's programme of perestroika and seen in it areas of advantage to the US. Following his meeting five weeks ago in Wyoming with Mr Eduard Shevardnadze, the Soviet For-eign Minister, Mr Baker has been taking an increasing pub-lic profile in arguing for a posi-tive attitude towards changes in the Soviet bloc.

However, a number of other influential policymakers, including Mr Dick Cheney, the Defence Secretary, and members of the National Security Council staff, have expressed considerable doubts about Mr Gorbachev's prospects. They believe the US should be wary of changing its present strate-gic missile and arms control stance when there is no evidence of a fundamental change in Soviet nuclear policy and given that Mr Gorbachev could be replaced by a more hard-line

Soviet leader. Vice President Dan Quayle, who has acted as a lightning rod for the views of conservamnch cooler about Soviet reform than Mr Baker. The conservative columnists Rowland Evans and Robert Novak yesterday reported that Mr Scowcroft had written "Very euphoric" on a copy of Mr Baker's recent speech on

East/West relations. The disclosure that Mr Baker successfully blocked the speech is certain to infuriate conservatives who are inherently suspicious of the State Department and praise Mr Gates as a realist about Soviet

Mr Gates was until the beginning of this year the dep-uty director of the Central Intelligence Agency and has made no secret of his doubts about whether Mr Gorbachev's political moves will really alter Soviet capacity and intentions. He has pointed to continued activity overseas by the KGB.

In the sections of his speech to which Mr Baker objected, Mr Gates apparently painted a very gloomy picture both of internal tensions within the Soviet Union and of the prospects for success of perestrolka.

US Treasury to borrow \$17bn

By Peter Riddell

THE US Treasury is preparing to borrow \$17bn on an emergency basis early uext week so it can pay social security benefits to 38.9m pensioners and put off a default by the federal

The borrowing is necessary because of congressional dead-lock over a bill to raise the federal debt ceiling. This has to be passed by Tuesday midnight otherwise a temporary increase in the ceiling to \$2.87 trillion (1,000 billion) approved three months ago, runs out and the ceiling reverts to \$2.8 trillion. The emergency borrowing ou Monday and Tnesday will defer the crunch until November 7. The problem is that a proposed permanent increase in the debt ceiling up to \$3.12 tril-lion passed by the House of Representatives bas become tied up in the Senate with bitter arguments over a capital

gains tax reduction.

Senator George Mitchell,
Democrat majority leader, said
the unprecedented early borrowing would cost taxpayers an extra \$20m, because of higher interest costs: "It's obviously a transparent political move in an effort to enhance the administration's effort to win a capital gains cut."

The borrowing gives both the administration and Republicans in the Senate more time to fight for the capital gains tax cut, attaching it to the debt limit bill, though such an amendment could face a filibuster from angry Democrats.

The Treasury announced yesterday that the budget defi-cit for fiscal 1989 was \$152.1bn, roughly \$10bn less than most market estimates until recently. This reflects not only the buoyancy of tax revenue, but also the administration's inability to speud all the money allocated to rescuing savings and loan bodies.

Israel denies N-aid for S Africa

By Tony Walker in Jerusalem

ISRAEL HAS vigoronsly denied a US television report that it is helping South Africa build an intermediate-range nuclear missile, but Israeli officials have clearly been rattled by the allegations.

Mr Yitzhak Shamir, Israel's

premier, rejected the NBC report as "an utter he". The allegation comes at a particularly awkward moment in Israeli-US relations, which have already been made tense by serious disagreements over steps towards Middle East

Israeli observers say Washington may well have leaked embarrassing information about alleged Israeli-Soutb African nuclear collaboration as a way of exerting additional

pressure on Mr Shamir. The Israeli premier is widely

regarded as one of the main obstacles to reviving a genuine Middle East peace process because of his refusal to con-sider any formula that would involve exchanging territory peace in the West Bank and Gaza Strip.
NBC News, citing US offi-

cials and intelligence sources, reported that Israel had ignored "discreet protests" from Washington and appeared to be expanding its strategic relationship with Sonth Africa. NBC quoted the intelligence sources as saying the CIA was ready to "lay out the evidence of the Jerusalem-Pretoria missile pact to appropriate committees in Congress". It said the evidence was "irrefutable". Adding to concern in Israel over the whole affair is the fact

that Congress is empowered to

IS SEARCHING OUT

GIVING YOU A HEADACHE?

cut off aid to nations violating long-standing arms embargoes against South Africa. Israel receives some \$3bn

(£1.9bn) a year in foreign aid from the US. The money helps Israel maintain high levels of defence spending and many of the elements of a welfare state. NBC reported that Israel, which has developed its own uuclear-capable intermediate range ballistic missile, had secretly given South Africa access to the nuclear club. It said the deal between Israel and South Africa involved an exchange of Israeli technology for a long-range test site in South Africa and supplies of enriched uranium. The Israel-South African missile was reportedly first

duties, the EC's SCTV industry could disappear, with substan-tial job losses, while by seri-ously damaging the television tested on July 5, and flew some industry's general marketing base, its potential in the large-screen sector would be eakened, "and this at a crucial time given the current

Hawke under attack over environment

By Chris Sherwell in Sydney

yesterday mounted a vitriolic attack on Prime Minister Bob Hawke's Labour government, over its attitudes to the environ-

The unprecedented attack follows controversial government decisions refusing a go-shead for two large, export-earning projects: a A31hn pulp and paper mill in Tas-mania, and a gold, platinum and palladium mine in the Northern Territory.

In a joint statement released in Canberra, the nine said recent government decisions had sent a clear message to Australian business. "That message is: resource development and business investment are subject to short-term political expediency.

"The greatest threat to business invest-

ment is uncertainty. The uncertainty created by a government which goes back on its undertakings is undermining business

The signatories included the Business Council of Australia, the Confederation of Australian Industry, the Australian Cham-

Brussels

explains

By Tim Dickson in

(SCTV) sets made in Sonth

The duties, which have to be confirmed by EC foreign ministers, range from 10 to 13 per cent in the case of the three

main Korean producers (Dae-woo, Goldstar and Samsung) and up to 19.6 per cent for all

In an unusually detailed

press release accompanying the announcement — which officials privately admit

reflects sensitivity to recent criticism of BC dumping

actions — the Commission said the injury to Community producers had been "mate-rial". The domestic industry, which includes Philips, Thom-son, Grundig and Nokia, had

"lost important market shares

and suffered an unsustainable

pressure on prices as a result".
Such damage "threatens the present viability and future development of the whole

Community television indus-

try, and must also be seen in

the context of related technol-

ogies throughout the con-

eral Community interest

the Commission had weighed

two main sets of interests

those of producers and those

of consumers. "After careful

consideration, it concludes that in this case the benefits of protective measures for the

producers outweigh the possi-bility of very limited and short-term undesirable effects

In the absence of dumping

New York over the past week.

Last Friday, \$56,000 (£37,000)
was the central issue at a groelling two-hour press conference given by Mr David Dinkins, the Democratic candidate.

Mr Dinkins, who earlier in the campaign came under fire because of his alleged failure to

file income tax returns for four years running, sought to explain the difference between

the \$1m value placed on a block of stock in a communica-

tions company in sworn state documents, and the \$58,000 price tag said to have been put on the shares when sold to his

Mr Rudolph Giuliani, Repub-lican candidate for mayor and

former US attorney for the Southern District of New York.

charged that, based on these figures, Mr Dinkins should

have paid state gift taxes.
Innuendoes about Mr Dink-

ins' handling of his personal finances have formed the cen-

treplece of a negative advertis-

ing campaign by the Giuliani camp which appears to have had the desired effect.

The latest opinion poll pub-

lished on Tuesday suggested that Mr Dinkins' substantial

tead over Mr Giuliani had been

cut in the space of a week from 19 points to just four. Sud-

for the consumers".

sumer electronics sector": The Brussels statement stressed that to establish the

other exporters.

NINE leading Australian business groups ber of Commerce and the Australian Chamber of Manufacturers.

Also on the list were the Australian Mining Industry Council, the National Association of Forest Industries, the Australian Petroleum Exploration Association, the National Farmers' Federation and the Pulp and Paper Manufacturers' Federa-

The decisions have not ruled out the projects altogether, but they face lengthy delays at a critical time, and the partici-pants are unsure whether the projects will ever begin. The groups said it was a fal-lacy for politicians and bureaucrats to assume that deferral of investment proposals was costless.

The costs of indecision and uncertainty were not to be measured in terms of jobs and export income, they added, but in terms of import replacements, lost opportunities, technological progress and the development of an efficient, value-added manufacturing sector.

Referring to the government's Resources Assessment Commission, designed to

weigh all interests, the group said: "the Government has yet to provide any undertaking that the process will replace short-term political expediency. Business cannot confidently invest in the current of the delegated "We have to Compare the Compare to Teneral climate," they declared. "We urge the Government to renew business confidence by establishing and abiding by clear and firm guidelines for investment and environ-

 Australia and Indonesia have agreed details of a treaty covering the "Timor-Gap" the oil-rich Timor Sea area between the north coast of Australia and the Indo-

ment protection.

the north coast of Australia and the indo-nesian island of Timor.

Mr Gareth Evans, the Foreign Minister, and Mr Peter Cook, Resources Minister, said yesterday the agreement would be signed in December. The treaty divides the area into three parts, one for each country and a third for joint development.

It sets out details for joint area evalura-

It sets out details for joint area explora-tion, mining, regulation, and royalty and taxation arrangements. Bids for explora-tion licences are expected to be called next

a grandson of the Mahatma in

the campaign, he drew laugh-ter by saying: "I will not hide the fact."

The humorous tone of the

press conference was in sharp contrast to the grim reports from east Bihar of a rising.

death toll in rioting between

pur and other towns.

Hindus and Moslems. Over 70 people are said to have been killed since Sunday in Bhagal-

Large contingents of troops have been flown to the region to halt the violence. Mr Buta Singh, the Home Minister, said

the government was consider-ing hanning religious proces-sions and demonstrations.

Hindu fundamentalists' pro-cessions appear to have been at the root of the riots.

Tourist was murdered, Kenyan court rules

A KENYAN court ruled yesterday that a UK tourist who died last year in a game who died last year in a game reserve was murdered, reject-ing charges of an official cov-er-up, AP reports from Nairobi. "I think the animals are innocent," said Chief Magistrate Joseph Mango, rejecting the state's contention that Julie Ward, 28, bad been eaten by carnivores. "There is ample evidence that Julie Ward died of foul play by a person or persons unknown." He "saw no reason" to direct that her death be investigated further.

US jail riot ends

Police firing tear gas stormed a Pennsylvania prison and freed three remaining hostages yesterday, to end a second night of rioting, Reuter reports from Camp Hill. "We are once again in control," an official said. Some 44 guards, and immates were injured during 14 hours' rioting.

Spending steady US personal disposable income

and spending were unchanged in real terms in September, the Commerce Department said yesterday, Anthony Har-ris reports from Washington. The August car sales boom slowed somewhat, with heavy buying of discounted cars cutting the personal savings rate to 5.1 per cent over the third quarter, against 5.4 per cent in the second quarter.

Marcos ruling

The Philippines Supreme Court yesterday rejected a petition to allow the family of Ferdinand Marcos to return to the country with his body, rul-ing the dead former president remained a threat to national security, Reuter reports.

Tokyo prices up

Consumer prices in Tokyo have risen by 3.3 per cent this month against the same period last year, due to labour short-ages, higher oil pilces and the fall in the yen, the Manage-ment and Co-ordination Agency said, Stefan Wagstyl reports from Tokyo, The increase is the sixth monthly rise in succession of 3 per cent or more. Nationwide prices in September rose 2 per cent.

Ivory Coast Ioan

Ivory Coast has been awarded a World Bank loan of \$216m aimed at financing the coun-try's structural adjustment programme, Mark Huband reports from Abidian. The loan exceeds the \$187m which had been expected. Repayment will be over 20 years beginning in 1995, with 7.74 per cent inter-

Uruguay meeting

reduction package, AP-DJ reports. The two sides are discussing a debt reduction pack-age including buy-back of loans from creditor banks.

Gandhi v Gandhi in India poll of names and because it pits two of India's best-known fam-lies against each other. Mr Raimohan Gandhi, 54, democratic forces." DECLARING that he could no Asked wbether he would make use of the fact that he is

joined the Janata Dal, the

main opposition party, only two menths ago and confessed yesterday that he had never

visited Amethi. Describing

himself as a writer and scholar, he answered ques-

The main charge that seems

likely to haunt him through the campaign is that he was an activist in Moral Rearmament

- the movement identified

with right-wing crusading anti-communism. Mr Gandhi said yesterday he still supported the ideals of the movement, but said: "I have never hated the Communists and do

not hate them. I am looking forward to working with the Communists to fight the anti-

tions wittily and urbanely.

TV duties longer be a "mute witness to the assault" on India's demo-cratic values, Mr Rajmohan Gandhi, the grandson of Mahatma Gandhi, yesterday defended his decision to stand THE European Commission yesterday invoked long-term consumer interests to justify its decision to impose provi-sional anti-dumping duties on small-screen colour television

as the opposition's candidate against Prime Minister Rajiv Gandhi in the Amethi constit-uency in Uttar Pradesh. At a crowded press conference in New Delhi, Mr Rajmohan Gandhi described his can-didature in the language of a moral crusade against what he called "corruption at the high-est level". The opposition's announcement that he would stand against the Prime Minis-

ter has been one of the big surprises of the campaign so far, and is bound to give the Prime Minister a tougher batonly because of the confusion González may need to seek pacts

By Peter Bruce in Madrid

MORE THAN 20m Spaniards go to the polls tomorrow in a general election which could bring to an end seven years of majority government by Prime

Minister Felipe Gonzalez's

Socialist Party.
Polls suggest the Socialists
will win between 168 and 182

lan nationalist parties. The chief threat has emerged in the past month from the communist-led Izquierda Unida (IU), which has been campaigning on the government's fail-

ts in the 350-seat Cortes in Madrid. The loss of more than nine of his 184 seats would form a coelition, which he has said he will not do, or to make his courself seven tests in the bring out its voters. Predictical pacts with the small, conservative Basque or Cata-

ure to bring down high mem-ployment and on fears that Mr González intends to impose tough economic restrictions on the country after tomorrow to combat rising inflation and a

ment. Mr González has said he will not campaign as Prime Minister again, but even if he is forced to govern through pacts with other parties, he is unlikely to call new elections before 1992, when Spain hosts the Olympic Games and the World Fair.

The chances of his retaining an overall majority tomorrow. are, anyway, quite good prowided the normally efficient

KGB closes anti-dissident section

By Quentin Peel in Moscow

THE Soviet KGB, scourge of political dissidents for decades, has closed down one of its principal departments for their investigation and surveillance Gen Vladimir Kryuchkov, the chairman of the state security

committee, has revealed.
The so-called Fifth Department, or Fifth Chief Director. ate, used to be responsible for all forms of political dissent, including religious dissent, eth-nic minorities, the intelligen-tsia and the artistic commuadvance towards bigh-definition television technol-

However he revealed that a new department, for the "pro-tection of the Soviet constitu-tion," would still deal with "subversive activities of antisocialist elements within the country" – a definition which would certainly include many political dissidents.

Gen Kryuchkov, who has become a high-profile ally of President Mikhail Gorbachev, admitted that the Fifth Depart-

nity, and the censorship of lit-erature. ment had been responsible for "mistakes, shortcomings, and regrettably even excesses He indicated to the government newspaper izvestia that the new department for the protection of the constitution

a series of big capital spend-

grammes and

provide one of

the best social service safety

nets of any

American

inner city.
Now, when demands on

social services are rising rap-idly, the econ-

omy is stagnat-

ing and tax revenues are

sharply below

those used in

would still provide for some control of internal dissent. However he added that the new department would require a high level of legal knowledge, and a humanitarian approach to each individual"

from KGB operatives.

Uruguay and its leading credi-tor banks have agreed to meet in New York in the week beginning December 11, to continue discussions on a debt

Fighting for New York's poisoned chalice THE BEST INVESTMENT ADVICE

Janet Bush reports on the closely-run race for the mayoralty of an afflicted city WO large dollar sums have dominated the newspaper headlines and the campaign for Mayor of

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questions about the Demcity's city's projected budget deficit

according to the Office of the State Deputy Comptroller. As the two candidates limp into the final stretch of the campaign, their ability to debate the issues hobbled by the tit-for-tat over alleged financial improprieties, New York's deteriorating economy and budget has virtually been ignored.

in fiscal 1993

Shades of the fiscal crisis which had the city on the verge of bankruptcy in the mid-1970s loomed over the candidates ou Tuesday when Moody's, the credit rating agency, signalled its displea-sure that "none of the mayoral candidates have focused their comments on future financial performance with any specific-

denly, the prospect of New York electing its first black mayor no longer seemed such a foregone conclusion. Although the poll may exag-gerate Mr Dinkins' fall from grace (it polled only 501 regis-tered voters on a Sunday), there is no doubt that the \$58,000 furore has turned small

ocratic candifinances into large questions he can handle iucreasingly chronic fiscal situation. The second, much larger figure making headlines this week is \$2bn. That is the

> Democratic candidate David Dinkins (right) solutes a New York the city's budcrowd with state governor Mario Cuomo

Victory on November 7 will

decontamination centres. tos off trees. A desperate need to repair

Moody's warned that preserving the current A rating on New York's general obligation bonds would depend directly on the new mayor maintaining fiscal responsibility and bal-anced budgets without sacrificing the current programme to

infrastructure.

hand either man a poisoned chalice, whose deadly ingredients include exploding gas mains and asbestos coated steam pipes which have on several occasions this summer turned Manhattan into something resembling a post-nn-clear no-go area, complete with

New York's problem is no louger just a question of bridges falling apart: the city has spent thousands of dollars this summer scrubbing asbes-

infrastructure, at a cost of bilions, comes at a time when the city is barely coping with the demands of the crack and AIDS epidemics, rising home-lessness and disease and crises in education and the hospitals. A strong economy during the first half of the 1980s meant New York was able to institute

rebuild the city's crumbling

The October 1987 stock mar-ket crash, which led to the loss of more than 22,000 jobs in the key financial sector, continues to have a depressing effect on the city economy, which has not generated any job growth in the private sector for two Ms Elinor Bachrach, special

deputy comptroller, does not believe the city faces anything like the fiscal crisis of the 1970s. "We are talking gloom, not doom, but there are still going to be some tough choices and neither mayoral candidate is focusing on the financial situation as much as we would

Her office, set up to monitor the city's fiscal behaviour after the near-bankruptcy, is far more pessimistic than the outgoing administration. The main difference between their forecasts is that the Koch administration is assuming public sector pay rises of only 1.5 per cent while Ms Bach rach's office is looking at a more realistic figure of 5 per Her projections are for a

budget shortfall (which has to be closed by law) of \$1.5bm in fiscal 1991; \$1.9bu in fiscal 1992 and \$2bn in fiscal 1993. Outgoing Mayor Ed Koch earlier this week announced measures to close a projected

gap this fiscal year of \$530m which included a \$200m reduction in spending, cutting across practically every city Mr Koch said: "Many of these actions will be painful but I believe they are necessary. It is clear that New York city is facing a difficult

get assnmp. Both of his possible successors have talked vaguely about a 1 per cent cut in spending across the board. Whoever wins may find the new austerity will have to be much more dramatic than that.

FINANCIAL TIMES

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against upsetting borders By Quentin Peel in Moscow and Christopher Bobinski in Warsaw

ATTEMPTS to question the existing borders of Europe could undermine Europe's sta-bility, Warsaw Pact foreign ministers said yesterday in a clear reference to the issue of

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German reunification.
The ministers reiterated the right of all states to be able to "chose freely the roads of social, political and economic development with no external

This was decided despite the presence of Mr Ioan Totu, the Romanian . representative, whose ruling Communist Party in August mooted the idea of a Warsaw Pact intervention in Poland to stop the installation of a Solidarity government. The declaration on non inter-

ference in the internal affairs of other nations is in line with present Soviet policy which has been shown to be extremely tolerant of developments in Poland and Hungary. Nevertheless Mr Eduard Shewardnadze, the Soviet Foreign Minister the soviet foreign to an extremely the soviet foreign the soviet fore Minister, speaking in an unprecedented interview yes-terday with the Solidarity newspaper Gazeta Wyborcza refused to condemn the War-saw Pact intervention in Czechoslovakia in 1968. .

He said that it was for the Czechoslovak leadership to assess the events of that year and that the Soviet Union did

Mr Egon Krenz, East Mr Egon Krenz, East Germany's new Communist leader, will make an official visit to Moscow next week, Reuter reports from Moscow. In Bonn, the mass circulation newspaper BRd quoted well-informed Moscow officials as saying Mr Krenz wand meet Mr

Mr Krenz would meet Mr Mikhail Gorbachev, the Soviet leader, and other senior politicians during a visit on Tuesday.

"Egon Krenz will be making a visit at the end of October and the beginning of November but I have no further details at the moment," Mr Vadim
Perfilyev, a spokesman, told
a news briefing.
Mr Krenz took over as

leader of East Germany's Communist party last week from Mr Erich Honecker. Mr Gorbachev, who visited East Berlin three weeks ago for the country's 40th anniversary celebrations, invited Mr Krenz to visit Moscow when he telephone him to congratulate him on taking up his new position.

not have the right to impose any other view. But he did add that the decision to go in had been e common Warsaw Pact one and that there had been

appeals from Czechs for help. In a reference to conven-tional arms reduction talks in Vienna between Nato and the Warsaw Pact the ministers said they wanted reductions to be achieved by the end of next year to be preceded by an agreement signed by a Euro-pean summit including the US

and Canada.

As part of a series unilateral troop withdrawals from Europe, General Mikbail Moiseyev, the chief of the Soviet General Staff. announced yesterday that troop strengths along the Finnish border and in the Baltic area would be cut by 40,000 men, and tank strength by half, by 1991.

The cuts will involve 1,200 tanks are well as well as proposited.

tanks, as well as unspecified reductions in artillery, in order to convert the North-Western army group to a "purely defen-sive" role, he said.

His announcement, clearly intended to coincide with President Mikhail Gorbachev's state visit to Finland, said fur-ther cuts depended on recipro-cal steps by the US and Nato. He made it clear, in an interview with Tass, the official news agency, that cuts were part of the unilateral reduction in Soviet ermed forces announced by President Gorba-



However, particularly in the Leningrad and Baltic areas, where he said the personnel cuts amount to one third of existing strength, the reductions are disproportionately large.

The Baltic area, including the three Soviet republics of Estonia, Latvia and Lithnania, is not normally included in the North-West region, but troop cuts there can be seen also as e political concession to local resentment against the pres-ence of large Red Army contin-

However he expressed his concern at the "lack of prospects for the complete liquidation of nuclear weapons in the region" and by what he described as recent setbacks to disarmament.

They find expression above all in Nato's unwillingness to carry on negotiations on naval forces, to extend confidencebuilding measures to the naval ectivities of both blocs, espe-cially in the Atlantic, and in the Norwegian and Baltic Seas," he said.

Accountants are brought to book

David Waller looks forward to the launch of the Dearing regime

HE UK's accountancy profession has been breathing a collective sigh of relief in the past two

days. After nearly e year of deliberation, the Government has found someone to implement the so-called Dearing accountthe so-called Dearing accounting standards regime. And that
person is nome other than Sir
Ron Dearing, the man who put
the proposals together.
The appointment of the former chairman of the Post
Office on Wednesday came not
a moment too late. The aim of

Sir Ron's original proposals was to usher in e tongher financial reporting regime in the UK. Implicit in the Govern-ment's acceptance of the pro-posals was a recognition that the UK was the home of much

accounting laxity.

It was natural to assume that the longer the Government dewdled over the appointment, the worse the sitnation would become. It is so long since the Gov-ernment first endorsed the pro-

posals last November that finance directors and other interested parties could be forgiven for having forgotten the details. The idea — which over the next few months may become reality — is to set np a Financial Reporting Council and subsidiary bodies to devise eccountancy standards and monitor compliance with them. The new organisation is designed to replace the Accounting Standards Committee - set up 19 years ago - which draws its membership from the eccounting profes-sion. Unlike the ASC, the counfession. It will have greater resources and will be given more "teeth."

In conception, the council is consistent with the tradition of self-regulation enjoyed by accountants, merchant bank-ers and other professionals. The toughening-up it envisages seeks to allay the fears of those who say what is needed is some form of government regulation such as that in the US

lation such as that in the US and in many other countries.

That a new regime is required is beyond doubt. The ASC is under-resourced, has no full-time staff other than those belonging to e small secretariat, meets only once a month, and has not had time to develop a "global" picture on the purpose of financial reporting.

Mr Graham Stacy, a senior partner at Price Waterhouse, said yesterday: "It does not have the resources to antici-pate events, it can only be reactive. And when It does react, it is only very slowly: it takes three or four years for

brands.
Its thinking on the vexed issue of goodwill - the difference between the book value of

anything to happen."

That is evident from a look

at some important eccounting issues of the day. The ASC, through no fault of its own, has yet to come out with a recommendation on the way companies should deal with

a company and the price paid for it - has been known for months but has still to be formulated into an official Expo-sure Draft. A standard on eccounting for pension costs saw the light of day last year after six years of debate. To the extent that its recom-

Sir Ron: proposals aim at tougher reporting regime

as they will be in the case of goodwill - it has no power to override finance directors not everse to bending the rules for the sake of boosting earnings

per share.
As one fund manager put it e few months ago - referring to the abuse of acquisition accounting - "the bull market in UK equities spawned a bull market in lax accounting poli-

The Accounting Standards Board, the new version of the ASC, will have a full-time chairman and director and the

do now. Decision-making will be simplified, the board of standard-setters more than halved in number to nine,

halved in number to nine, while the number of full-time staff will be doubled to ten.

The council itself will be 20 strong, with representatives from interested parties such as industry, the Stock Exchange and the accountancy profession. Meanwhile, the Review Panel will monitor deviations from standards, just as the Takeover Panel polices the UK's mergers and acquisitions. Takeover Panel polices the UK's mergers and acquisitions. Sir Ron is deemed by many eccountants to be the ideal man for the job. He is a charismatic businessman who bas influence outside the narrow confines of the accounting profession. fession. Moreover, as a non-ac-countant he is unusual in that be understands, even enjoys, the arcane mysteries of the standard-setting world, and commands the respect of the

accounting profession. The job of staffing the various bodies will come later. Sir Ron's first task will be to assemble the finances for the new regime. His original estimates suggested an annual cost of £1.5m, twice the amount now absorbed by the ASC. It soon emerged that that figure was grossly unrealistic, and £4m is now thought to be more

The early months of this year saw bitter clashes between the Stock Exchange, the Confederation of British Industry, the Government and the accountancy profession over who should foot the bill. These arguments will soon be revived and Sir Ron will have to exercise considerable tact and diplomacy to turn his pro-

Anatomy of a march in E Berlin

This week has seen another wave of reform demonstrations in East Germany. The authorities are bending but are insisting that "dialogue" does not take place on the street: should demonstrations escalate, a ban is likely. David Goodhart marched with the demonstrators earlier this week in East Berlin and found the atmosphere surprisingly gentle

CHONHALLE Allee, one of East Berlin's finest residential avenues, flickering with the nandles of young marchers as far as the eye can see, with dozens of balconies along the avenue responding darity. It is one of the most impressive, and unexpected, sights in an Eastern Europe hardly short of them these

The marchers were a mixed bunch but the leading section could have come from a student demo in London - an excitable youth wrapped in a PLO scarf, a few punks, ear-nest-looking young Christians. At the bead was a woman of 20 bolding e large picture of a

butterfly. Considering their youth, and the fact that the previous march in East Berlin on October 7-8 had been broken up by truncheon-wielding policemen, there was a remarkable confidence about the 5,000 march dence about the 5,000 march-ers. With their candles and jokey chants — "Schnitzler (a conservative TV commentator) for the Muppet Show" — it felt more like a carnival than a deflant protest.

East Berlin cannot, yet, match those old strongholds of socialist agitation like Leipzig which is bringing hundreds of thousands onto the streets. But Berlin is the brains of the East German reform movement to Leipzig's brawn.

Temporarily, the brain has found a home in the Gethse-mane Church, just off Schön-



Demonstrators, mostly carrying candles, march through kidnet after prayers for peace in several

march began after a two-hour political meeting.

The 3,000 crammed into the church for the meeting were even more mixed than the marchers and included plenty of "ordinary" people - stocky workers in leather jeckets, young secretaries and nurse Christian families. But the tone was set by the intellectuals - writers, artists, design-ers - with their sensitive, engaged, faces and (for the men) Bertolt Brecht bair-cuts, who together create a politi-cally committed, anti-establish-ment style similar to the Greens in West Germany.

After singing a Hebrew chant, listening to a strange sermon about Jerusalem and an even stranger violin recital

- which had some of the workers shifting impatiently in their seats - the real business began: open letters to the anthorities from two dozen individuals or representatives of the half dozen reform

The demands are becoming ever more bold and specific and now include UN supervi-sion of multi-party elections, a school and legal system inde-pendent of the party, and the abolition of military service. Immediate demands are crys-

A POR STANSON STANSON OF halle Allee, whose walls have become an open newspaper for the movement. It was from lot-rigging in last May's compared for the impromption munal elections, and ditto for set in. One old man said this the police attack on marchers three weeks ago. The woman sitting next to me, a secretary, said she now spoke onlie openly at work about attending

such meetings.

After the meeting, while the older people and the families went home and the organisers of the meeting stayed in the church, many of the younger participants, without visible organisatiun or hierarchy, began their march.

Turning into Shonhalls Allee there was a tense moment when nobody knew quite how the half-dozen policemen there would react; the new liberal-ism prevailed and they agreed to shepherd the march to the People's Parliament in the cen-tre of town where the marchers wanted to deliver a letter.

Soon, the marchers, all smiles and laughter, found voice and began shouting "Join us" or "On the streets" or "TVs off! Come outside" to their mainly rather bewilder-ed-looking fellow citizens. Some did join them, and a good-number of by-standers - perhaps one-third - indicated their support in some way. Most just

> As the the march got into its stride, the woman with the butterfly was replaced by a

By Leslie Collt

the same of the same of the same was the third great change he had lived through - the previous two being 1933 and 1945.

More representative of the marchers was Alexandra, a pretty 18 year-old nurse with candle-wax all over her hand, who said she had always been against the system because of her Catholic faith. She added that many of her fellow nurses had fled to West Germany but

she wanted to stay.

They passed the offices of ADN – the official news agency - and shouted "Press freedom" and "Free elections". In Karl Liebknecht Street a middle-aged man just stood on the pavement applauding with tears running down his face. An officious-looking woman bustled by and shouted the equivalent of "Get back to

work, you lazy buggers".

Soon they were in the Marx and Engels Square in front of the parliament and the leader-less marchera did not know quite what to do. Some of them sat down in front of the parliament, others argued, moderately, with a middle-ranking official about whether their letter would be delivered. Then with some muttering from the militants, they went home. It had been a confidence-building evening for reform.

Legal move fails to stop £6m factory

cil and its ancillary bodies -the Accounting Standards

Board and the Review panel -will be independent of the pro-

PLANS FOR a £6m chemical recycling plant near Rother-ham, South Yorkshire, were approved in the High Court yesterday although proper planning procedure for the project was not followed.

Mr Justice Schiemann dismissed an application by Mr William Rankin, who lives less than half a mile from the site, for a declaration that planning permission was invalid and for an injunction stopping further construction. Work started about eight months ago.

The judge said Rotherham. Council had proceeded on a legally erroneous basis" in granting planning permission for the plant to Safety-Kleen (UK) but had not been guilty of deliberate subterfuge

Mr John Hendy, Mr Rankin's counsel, told the court that planning permission was granted in 1988 for the plant to purify and recycle solvents and thinners for industry.

He argued that a notice of application for planning per-mission should have been posted at the site and a state-ment of the plant's possible effects on the environment given to the local enthority. That was not done.

Mr Justice Schiemann agreed. He said Rotherham Council had proceeded on a wrong legal basis and he would have revoked the planning permission but for several discretionary factors.

Hs said there had been undue delay by Mr Rankin in bringing his legal challenge to the planning permission. "Planning decisions frequently result in substantial expenditure of money, so a speedy challenge is in general required

He said Safety-Kleen had at all times acted in good faith and had not tried to conceal anything from the council. Many of the fears of local residents ebont the plant were

based on misinformation.

"Permission was not chal-"Permission was not challenged until practically a year after it was granted, then it was challenged with no prior warning. Meanwhile Safety-Kleen has entered into contracts and started building the plant. Safety-Kleen has not been gullty of any deliberate subteringe, nor has the local planning authority."

New engineering plant for Ulster

F. G. WILSON, the Northern heland engineering company, is expanding to meet a world-wide increase in demand for its products. The move will create

The company, Europe's leading manufacturer of diesel generating sets, is opening a new 100,000 sq ft factory in Newtonabbey to make precision sheet metal components and assemble diesel generators for the world market.

The company is seeking to recruit skilled workers, including electrical engineers, mechanical engineers, draughtsmen and experienced production line managers. It employs 400 people at its Ulster factories and last year exported almost 90 per cent of total pro-

power to issue its own standards without having to obtain the backing of each of the UK's mendations are contentious myriad accountancy profesposals into reality.

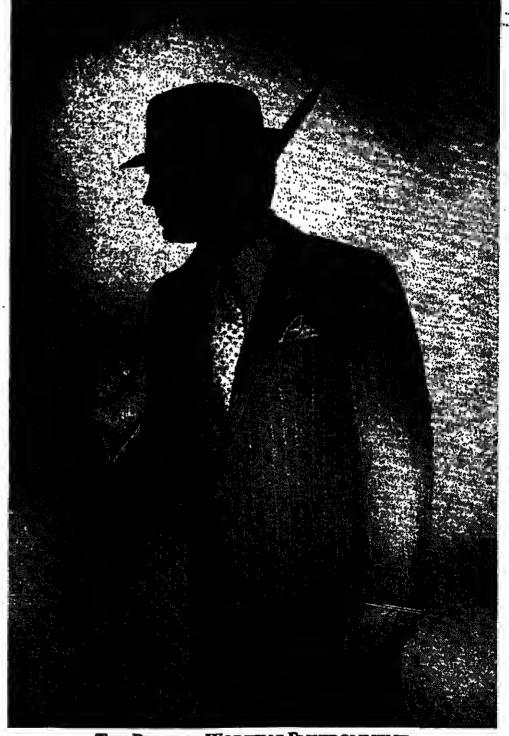
Record £6.3m city grant award By Ian Hamilton Fazey, Northern Correspondent

THE LARGEST single city grant was announced by the Government yesterday. It concerns £6.8m marked for reclaiming 48 acres of sterile, derelict industrial land near the centre of St Helens, Merseyside. The scheme will reduce dere-

liction in the town by 30 per cent. The land has housed a wide mixture of now closed industry since the industrial revolution. More than 300,000 tonnes of waste will be removed over three years. The clear-np is part of St Helens' Ravenhead Renaissance, a partnership of public and private sectors that is trying to regenerate 230 acres of land in the town. Members include Pilkington, British Gas, Ihstock Building Products, Metastates, Milverney Proper-ties and the local council.

The grant is to e joint ven-ture company of Pilkington, Milverney and St Helens Borough Council. About 300 houses will be built on the site, 12 acres of which will be land-

scaped as public parkland. City grants replaced urban development and regeneration grants last year, since when £72m has been given to 89 schemes for 342 acres of land



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100,000 join stormy reform debate in Dresden

Nearly 100,000 people gathered in Dresden for a stormy debate on political reforms with Mr Hans Modrow, the reformist party leader of Dresden Dis-trict, who is seen as a possible successor to Mr Egon Krenz, the new East German leader. Tens of thousands of East Germans demonstrated peacefully for democracy in Erfort, Rostock and Gera as the debate took place on Thursday. Mr Modrow told the buge

crowd in the centre of Dresden that the political upheaval of recent weeks would lead to a "revolutionary turning point" which could not be reversed. But the audience, which came from all over Saxony, reserved from all over Saxony, reserved its biggest applause for Dr Frank Tellkamp, a physician, who questioned whether socialism in East Germany had a "right to survive".

He noted that 3.5m East Germans hed left their country these its founding because them

since its founding because they felt they were not represented by the state. "A state which

does not respect the needs of its people dissolves itself," he said to thundrous applause.

Dr Tellkamp demanded free elections, a market-oriented economy and the abandonment by the party of its "monopoly on power". When the moderator of the discussion tried to stop him from reading a statement supported by 40 fellowment supported by 40 fellow-physicians, the crowd angrily demanded that Dr Tellkamp be

allowed to continue.

Mr Raff Börger, a spokesman for the independent Reform trade union which was recently founded in a factory outside East Berlin, said the authorities had not interfered with his work. "We aim to obtain official registration and want to organise members in our company and elsewhere". The newly-formed union was demanding that the party and Communist Youth Organisa-tion halt activities in factories and offices. These, he said, con-tributed nothing to production and were a "drain on profits."

leadership.

Mr Vaclav Havel, the playwright and spokesman for Charter 77, was detained in his flat along with other prominent opposition members. They had called for a demonstrated of the state of th

THE Czechoslovak authorities yesterday held leading mem-bers of the Charter 77 human rights group on the eve of planned protests today in Prague against the conservative peaceful nature of the demon-strations in East Germany.

Prague seeks to forestall

protests with detentions

Mr Ladislav Adamec, the Czechoslovak Prime Minister, They had called for a demonstration on the anniversary today of the founding of the Czechoslovak Republic in 1918. The anthorities, however, announced that Wenceslas Square, the planned site of the demonstration, would be closed because of e swearing in ceremony of army recruits. Nearly 10,000 people demonstrated there on last year's anniversary.

anniversary.
Father Vaclav Maly, a priest and prominent member of Charter 77, said by telephone member, as "zeros". Mr Adamec said a dialogu from Prague that Czechoslo-vaks were closely watching the unrest in neighbouring East

"But whether people here will have the courage to demonstrate is another matter," he said. Father Maly noted that the official Czechoslovak media had refrained from attacks on the opposition and had reported in detail on the

szechosovak Prime imister, szechosovak Prime imister, this past week that the reforms in 1968 of the ousted leader Mr Alexander Dubcek had a "num-ber of positive elements" which could not be implemented under conditions then But Mr Adamec, who favours widespread economic reforms, attacked Mr Havel and Mr Jiri Hajek, e former foreign minis-ter and prominent Charter 77

with independent groups would lead to the "liquidation" of the Communist Party and By Maurice Samuelson

A NORTH SEA gasfield is expected to become the first to be developed solely for power generation as part of the electricity industry's move to reduce its dependence on coal. PowerGen, one of the compa-nies to be formed from the

Central Electricity Generating Board, is in close talks with Atlantic Richfield, the US oil company, over use of the Pick-erill field, in the North Sea's southern basin, 60 miles off the east coast of England.
It would provide fuel for a

1,000 megawatt power station planned by PowerGen at Kil-lingholme, Humberside. Completing the deal will strengthen the credibility of

gas as a competitor to coal in the British electricity market. PowerGen and National Power, its bigger sister com-pany, have a number of gasburning power stations on the drawing hoard. Most of the plants proposed by indepen-

dent generators are also gas-

The Pickerill field, with at least 850 bn cu ft of saleable gas, is relatively large in North Sea terms. Discovered five years ago, it could be brought on stream in 1991 and would have a life of about 20 years. The cost of developing it, including building a pipeline to the coast, is put at some

Because of its previous scarcity, gas is at present only used by the electricity industry to meet peaks in winter demand. However, with increasing quantities becoming available, it is becoming competitive with coal, Britain's primary power station fuel.

Gas is also claimed to be less harmful to the atmosphere than large-scale coal burning in power stations, which requires expensive anti-pollu-tion equipment. Atlantic Richfield, with a 30.75 per cent stake, will operate the Pickerill field. The sec-

ond biggest shareholder, with 18 per cent, is British Petro-

Schools policy faces court test

By David Thomas, Education Correspondent

school in the south London borough of Lewisham are seek-ing a judicial review of an education authority's right to give preference to its own residents when allocating school places. The move might have wide

implications for some of the Government's educational reforms which are designed to intensify competition between schools for parental support, as well as for the future of educa-tion in London after the abolition of the Inner London Edu-

cation Authority (Ilea). The case has been taken to the High Court by governors and parents of the John Ball primary school, which is in Lewisham but close to the borders of Greenwich. Tradition-

PARENTS AND governors of a ally, many children from John Ball have gooe on to secondary schools in Greenwich, which caused no difficulties when the schools all fell under

> Once Ilea is abolished next April, Greenwich will become responsible for its own educa-It has already decided that

priority will be given to children of Greenwich residents when allocating places in over-subscribed schools.

Mr Patrick Edwards, chair-man of John Ball's governors, said the school's parents had reacted with "total disbelief" to the decision. He said: "Our children are being cut off from the schools they traditionally

Mr Edwards is among a group of parents who successfully petitioned the High Court this week for a judicial review of a local authority's right to give preference to its own resi-

dents in this way.

The outcome of the case could have wide implications not just for other boroughs taking over from Ilea, hut also throughout the country, since many education authorities have give preferential treatment to their own residents allocating school

The issue is likely to become more important as a result of government reforms designed to give parents more control over where their children go to

Two charged over burnt Abbey forms

By David Barchard

THE MANAGING director of a mailing company and a warehouseman appeared in court yesterday charged with conspiracy to destroy Ahbey National share certificates. The two men, Alexander

Scott, 47, director of Business Mailing Services, and Michael Hanratty, 24, were also accused of conspiring to destroy other Abbey National material. Mr Scott faces a third charge of

conspiracy to defraud Citibank Magistrates at Tower Bridge Court, London, granted the men conditional bail until Feb-

Mr Brian Easter, a businessman, of Portman Close, Bexley, agreed to stand surety of £50,000 for Scott.

Reporting restrictions for the 17-minute hearing were not

The charges follow the dis-covery of charted remains of share certificates found in skips outside the Greenwich premises of Business Mailing Services at the end of July

after a tip-off.
This followed complaints by thousands of investors that they had not received their share certificates after the Abbey National stock market flotation on July 12.

Assured had offshore accounts

By Richard Waters

FRAUD squad inquiries into Homes Assured, the former financial services group whose directors included Sir Edward dn Cann, are focusing on accounts held with a Danish bank on the Isle of Man.

Homes Assured and its 12 subsidiaries each had an account with the bank, Andelsbanken, in addition to their main banking relation-ship in the UK with National Westminster.

The accounts were opened with a Scandinavian private banking operation called Heilerup, which was later taken lerup, which was later taken over and renamed Andelsban-ken in May last year. It is not known why the company, a nation wide group that arranged endowment mort-gages and home improvement leans for council tenants seeking to buy their homes, main-tained the offshore accounts, or the extent to which they were used.

According to an undated internal document passed to the liquidators, Hellerup was listed at one time as having about a 3.5 per cent sharehold-ing in Homes Assured.

Homes Assured Corporation was wound up on a petition by Andelsbanken, a creditor, for £84,513 under an overdraft

Mr Antonio da Costa Ferreira, managing director of Andelsbanken in the Isle of Man, refused yesterday to dis-cuss his bank's relationship with Homes Assured on the ground that such discussion would contravene the Island's banking act.

He confirmed, though, that Homes Assured had been a cli-

Ulster High Court judge appointed MR John Sheil, QC, the son of

a former High Court judge, was yesterday appointed a Northern Ireland High Court judge by Lord Mackay, the Lord Chancellor. Lord Justice O'Donnell, an

Appeal Court judge who retired yesterday, is to be replaced by Mr Justice Mur-

Losses Lloyd's cannot quantify

Patrick Cockburn examines the effect of new rules on open years

IN THE middle of 1988, H. G. Chester & Co. a managing agent in the Lloyd's of London insurance market, noticed that notification of impending claims for 1986 on its syndicate Marine 65 for pollution and asbestosis liabilities in the US had begun to increase alarm-

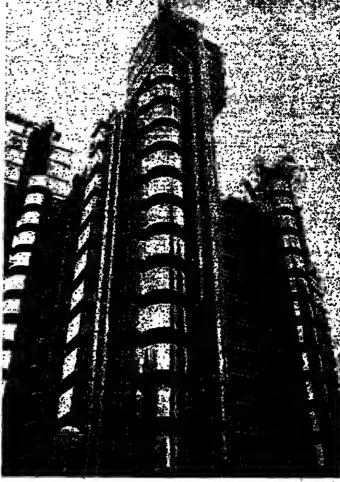
ingly.
By April this year, actuaries called in by H. G. Chester estimated that the correct figure for reserves for Marine 65 in 1986 for pollution was at best 53m and at worst \$42m. The range for asbestosis was a fur-ther \$10m. Faced with that degree of uncertainty, Mr Rich. ard Martin, who runs H. G. Chester, says he had no ortion but to leave the accounts for 1966 open at the end of the three-year Lloyd's accounting period, although he knew that would go down badly in the market.

Nor was he mistaken. The 2,304 members (or Names) on Marine 65, members' agents, underwriters, some of the bigger brokers and the council of Lloyd's, were all, to a greater or lesser degree, taken back by the decision. It was part of the background to this week's deci-sion by the council to issue stringent new regulations for managing agents who want to leave a year open on the ground that losses are unquan-

In future, a managing agent who wants to keep a year open must seek an independent actuarial report, including an opinion as to whether he has acted reasonably. When deciding the premium for Beinsurance to Close (RITC) - the means by which an account is closed at the end of three years - he must also look for an independent quote on the market. Only if none is available, or the price demonstrably unacceptable, will the manag-ing agent be able to leave the

All that, together with other regulations, makes life more difficult for managing agents. Leaving a year open will be less of an easy option in future, although Mr Martin says that "easy" is the last word to be used to describe his action last

But, as the administration of Lloyd's admits, the ruling will have little effect on the 68 syndicates that have left 115 accounting years open on the ground that losses are unquan-



Alastair Muir The Lloyd's building: lack of precedents on which to work

tiffable. Nor does it deal with the tasks facing Lloyd's as a whole in coping with claims stemming from pollution or asbestosis in the US, the finan-cial cost of which cannot be

Some underwriting agencies see the change as beneficial. Mr Roy Kirsch, of Shirge Holdings, the higgest underwriting agency, which has no syndi-

A BUSINESSMAN Was awarded £98,688 damages by a High Court judge yesterday against a syndicate of Lloyd's underwriters who refused to cover him in a legal dispute with a neigh-

The claim arose out of a dispute between Mr David Corbin, a scrap merchant, of neighbour Mr Edward Wells,

against the qualities which 10

Texaco managers felt was the profile of an "Ideal" worker,

cates with open years, says his agency already follows most of the rules now being intro-

Mr John Heynes, former chairman of the Lloyd's Underwriting Agents Association, says it will make it more difficult to duck away from a problem by declaring a year open. The temptation to do that is obvious enough. If a year is not

who took Mr Corbin to court complaining of damage to his property from a machine used by Mr Carbin to crush

The award plus interest and costs was against Lloyd's underwriter Mr Michael Payne, who was sned on his own behalf and on behalf of the other members of the syndicate that underwrote the policy.

declared open when there are heavy potential losses it may be necessary to call for more cash from the Names belonging to a syndicate. Members of syndicates for succeeding years are happy to be isolated from past difficulties with which, by the device of open years, they have no connection.

One analyst comments: "A new Name will tend to chose a

new Name will tend to chose a syndicate with an open year in the past over one that has not, simply because old losses are cut off."

Other managing agents see the new rulings as largely cosmetic or shooting past the target. Mr David Evers, of David Evers, Tinderwritting Agency. Evers Underwriting Agency, says. "If there are heavy penal-ties for keeping an account open, then they will be closed when they should not be."

The difficulty is that given

the atructure of Lioyd's, whereby each syndicate has a membership that shifts from year to year, it is virtually impossible to decide with equity who should bear the hurden of losses stemming from losses often originating in the distant past. There is an obvious and inevitable conflict of interest between existing Names and those belonging to the next year of the syndicate over the financial terms on which past liabilities will be

transferred.

An increased role for independent actuaries and seeking a quote for RITC in the market do not really get round the

Mr. Martin says there is no way he could have got a quote in the market. By the very fact that the difficulties of Lloyd's in the 1980s stem from new and often unprecedented US court rulings on pollution and asbes tosis, auditors lack precedents on which to work...

Similar headaches afflict other syndicates, few of which could be resolved with sufficient precision to set the pre-mium for RITC.

Mr Peter Notting, chairman of the steering committee of Names belonging in 1982 to Marine Syndicate 317/661 managed by R. H. M. Outhwaite the most famous and potentially most expensive of the open years - makes a further point that even when reserves have been agreed it would be necessary to get the inland Revenue to go along with the

EMPLOYMENT

say 'intransigence' caused talks failure

By Fiona Thompson, Labour Staff

UNION leaders of Britain's day working has been in place 22,500 ambulance workers for six weeks and last week offered to sign a no-strike deal in return for a pay formula which would trigger automatic pay rises, but the Government refused, Mr Roger Poole, chief trade union negotiator, said yesterday.

He blamed the intransigence of Mr Kenneth Clarke, Health Secretary, for the hreakdown of Thursday's peace talks at the conciliation service Acas.

The union leaders met Mr Duncan Nichol, NHS chief executive, for eight hours in a bid to resolve the six-week long dispute over a rejected 6.5 per

cent pay offer. "Mr Nichol knows 6.5 per cent is untenable, and he understands the need for a pay formula," said Mr Poole. "But he couldn't move an inch with-

out Mr Clarke's say-so."
The dispute would continue until Mr Clarke either "comes to negotiate with us or gives authority to Mr Nichol to nego-

Leaders of the five unions representing Britain's 22,500 ambulance workers will meet on Tuesday to consider tightening up their action. But this would not affect the accident and emergency service.

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four work-to-rule restrictions were recommended by national organisers. These are a strict adherance to the 39 hour week, and bans on doing the job of a superior, on doing non-urgent clerical duties, and on transporting non-urgent patients discharged from hospital. Mr Nichol put two proposals

to the unions at the Acas meeting, Mr Poole said. The first mg, Mr roose said. The first was to "endload" this year'a pay award by pushing back the settlement date from last April to October but increasing the percentage rise. The second proposal was to borrow from next year's pay settlement and add it to this

year's in a two-year deal. But with management unable to give figures for next year, the unions felt unable to accept.

The union leaders acknowledged that the longer the dispute continues, the greater the likelihood that the 6.5 per cent would simply be imposed, espe-cially with Christmas coming, in a bid to diffuse the situation.

The Department of Health said last night this was an option which could be considered if a negotiated settlement failed, but it was not being con-

OF THE ELDERLY

of Mr Clarke's partner

By Alan Pike, Social Affairs Correspondent

WHEN Duncan Nichol became chief executive of the National Health Service on the day after the Government announced its reform plans, colleagues said be was the ideal partner for Mr Kenneth Clarke, the Health

Nichol, they explained, would get on with the vital hard work of preparing the NHS for the biggest changes in its history without challenging his political master for the

his political master for the high-profile glamour and glory surrounding the selling of the reforms to the public.

Since then the Health Secretary has had nine months of the glamour, if not the glory—opinion polls show that the public remains sceptical about the proposed reforms in spite of Mr Clarke's energetic salesmanship. Duncan Nichol. manship. Duncan Nichol, meanwhile, has been getting on with a lot of hard work.

He is currently in the public eye as the leading negotiator on the management side in the ambulance workers' dispute. ampulance workers' dispute.
But although an increasingly familiar figure within the NHS, he remains relatively unknown outside the service considering that he is chief executive of the biggest employer in Burope, managing an annual badget of more than \$2250.

This says as much about the nature of the job as it does

The post of NHS chief executive is a recent creation, reflecting several years of attempts by Ministers to run the health service more like a conventional business.
In 1983 the Government

accepted the recommendations of a working party chaired by Sir Roy Griffiths, its health service adviser, that all levels of the NHS should have general managers responsible, at national level, to a management board.

The problem, as the ambu-iance dispute has demon-strated this week, is that when an issue in the NHS becomes ing/vote-winning/ controversial/difficult/interestvote threatening or any combi-nation of these, it inevitably becomes political as well.

The tensions, therefore, between the desire to run the NHS in a managerial way and the reality of political control contributed to the resignation of Mr Victor Paige, the first occupant of the top management job (then called chair-

man) in 1986. Mr Len Peach, an IBM executive, was then seconded as

Duncan Nichol: relatively unknown outside the service

chief executive and he devoted his considerable private sector experience to introducing target setting, performance appraisal and performance related pay among senior NHS

managers.
Nichol, 48, is the first career
NHS manager to hold the job.
He entered the health service
as a graduate in 1963, finishing up as general manager of
Mersey Regional Health
Anthority before heavyling Anthority before becoming chief executive this year.
While at Liverpool he demonstrated an enthusiasm for the hands-off approach to running health services which characterises the Government'e proposed reforms -this included, ironically, hiving off the management of the Mersey Metropolitan Ambn-

lance Service in 1987.

The white paper Working for Patients, published the day before Nichol became chief executive, spelt out these ideas only in fairly general terms. Since then he has been involved in developing the detail of how changes like self-governing hospitals, con-tracts and the introduction of a conventional system of capi-tal charging in the NHS will

actually work. The ambulance dispute is something of a diversion from this activity.

Next month, in the new ses

sion of Parliament, the Gov-ernment will introduce what is guaranteed to be a hotly-contested Bill to reform the NHS and the preparations for bringing in the main changes from April, 1991, will gather pace. Nichol enjoys a high reputa-tion among other NHS manag-ers for his widespread knowledge and experience of the service, and this will be of value to him in the controver-

Ambulance unions | The hard-working world | Tests-show oil workers better in teams'

NORTH SEA oil workers tend to perform better if they are willing to work in teams and are able to get ou well with others, according to a psychological test of 35 Texaco employees working on the Tartan Alpha platform.

The study, presented at the institute of Personnel Management's annual conference, also found that the better supervifound that the better superviaors tended to he
tough-minded, and those who
were more sympathetic and
tolerant were less successful.
The pilot study matched psychological profiles of the oil
workers with performance ratings. It found that better performance was linked to people
who were slow at taking decisions and took time to assess

sions and took time to assess It also matched the profiles

COMPANIES should be prepared to back up their no smoking policies with disci-

plinary action against employ-ees who refuse to abide by

them, a senior personnel con-sultant told a seminar. Mr Ed Millie, of Peat Mar-wick McLintock, said: "If you

are going to introduce rules, your work force needs to understand it is going to be backed up by disciplinary action, Otherwise there is no rout in having them.

According to preliminary findings of an IPM study, a growing oumber of companies

are adopting more stringent

measures banning smoking at

the work place. This appears to

be largely in response to public concern with the evidence of health hazards linked to pas-

point in having them."

correlation hetween workers

More no smoking policies

The actual workers were found to be less willing to take charge, less caring and less socially confident than wanted. They also scored lower on forward planning, conscien-tiousness and decisiveness. However, they were more mod-est, willing to listen to others, and enthusiastic about change than managers wanted.

Ms Rhoda Fin, an organisational psychology lecturer, said in a report of the study that there was a surprising lack of

performing well and being practical or interested in mending things.
Texaco said that the results

of the survey, carried out in the wake of the Piper Alpha

The study found that the option of dividing work spaces into smoking and no smoking

areas and imposing restrictions

on the times during which smoking was permitted were not used by many organisa-

Prof. James McEwen, direc-

tor of Community Medicine at

King's College, suggested that companies should be wary of creating a "ghetto" meniality

among smokers, with smoking "networks" developing as a

result of special rooms being set aside for smokers.

ICI Pharmacenticals has reduced lead times at its Mac-

clestield plant by 30 per cent

by training supervisors to become first line managers and

passing over more responsibil-ity to teams working under



HARROGATE 1989

John Gapper and Jimmy Burns report on the annual conference of the Institute of Personnel Management

disaster to help with selection of oil workers, were confiden-

being carried out on other companies oil platforms. The study was carried out by researchers from the Robert Gordon's Institute of Technol-ogy following research indicat-ing that personality differences in offshore workers tended to be linked to accident rates and occupational stress.

Those workers rated as high performers were rated as not difficult to manage, tending not to be outspoken or argumentative, and were generally prepared to listen to and con-sult others.

Mr Jeremy Forty, Texaco personnel director, told a semi-nar that some oil companies were considering a pension scheme for older workers who failed the stiff off-shore medical tests and then found it hard to get other jobs on shore.

Access courses aid staffing

THE Bank of England has started recruiting young Asians from the Spitalfields area of London because of concerns about the rising demand for clerical workers, and the division between the Asian

community and the City.

The Bank and three other
City employers have funded two accese courses in the English language and office skills for 16 young Asians. The Bank has employed three of those who completed the first

involved in funding the Spitalfields JobLink project are Dixons, the Trustee Savings Bank and Lloyds Bank. The second access course has been extended to give more language training.
The Spitalfields project, sup-

ported by Business in the Com-munity, is one of a number of initiatives by employers to improve ethnic minority recruitment to compensate for the falling numbers of white school-leaves. Mr Hugh Harris, associate director of the Bank, told a

director of the Bank, told a seminar that there was rising interest in the scheme.

The second course, costing £16,000, has been extended from 18 weeks to 24 to include more language to the colors. more language teaching. Trainees are taught clerical skills working towards a Royal Society of Arts certificate. Joshua Tetley has raised profits in its public houses by recruiting managers through

selection procedures based on personality assessment, a semi-nar was told by Mr Terry Laun, personnel director.

UK 'should copy EC on worker participation'

course.

THE Government should implement legislation to bring the UK closer into line with European Commission proposals for worker participation, Mr Bryan Stevens, director of the Industrial Participation Association, said yesterday.

Mr Stevens told a seminar
that the UK government had
mistakenly allowed the "myth"

under EC auspices.

to remain that current EC proposals were "all about having workers on the board."
Such a "myth", he argued,
had created an unnecessary cliunder a Conservative governmate of obstructionism among some managers who equated employee participation with a revival of trade union power

Mr Stevens cited the exam-ples of France and West Germany where the concept of a 'social partnership' has allowed a climate of industrial relations to develop which is reliant not just on regulation hat also on mutual responsibility of managers and unions. He argues that in the UK employee participation had developed over the last ten years somewhat randomly

ment seeking to promote "pop-ular capitalism" through a vol-untary introduction of share option schemes. The IPA is an independent association of companies and trade unionists devoted exclu-

involvement and participation.
It has been exploring a number of proposals linking what it sees as the "enthusiasm" for financial participation in the UK with the underlying principles of the EC's Social Charter,
The IPA is proposing that
new legislation should be
hrought in to promote
employee participation

through an Equity Option.

Measures to encourage sigmeasures to encourage sig-nificant employee share owner-ship would be supplemented by a new Company Law provision. That would mean an employee share trust which owned 5 per cent of the com-pany would also have the right

to nominate a non-executive director The IPA has also drawn up with the Institute of Personnel Management a code of practice aimed at underpinning additional legislation to enforce genuine involvement and par-ticipation of employees in deci-sions which are likely to affect

their interests. The code recommends that work planning should be devolved to the lowest levels

It also urges companies to establish regular consultation

procedures on issues such as new working practices, new technology and financial per-

Labour tastes blood as fortunes reverse

up the pressure

most in command

Michael Cassell examines the Opposition role in the lead-up to Lawson's resignation

integrity and the challenge to his personal pride appeared to hurt, as did Mr Brown's

pointed summing-up at the end of an unpleasant session for

the Chancellor. Behind him,

there was little support and, from the opposite benches, a succession of spokesmen kept

Mr Lawson's departure will not bring any let up in Labour's attempt both to paint Mrs Thatcher as an isolated,

increasingly irrational leader and to dismantle the Govern-

ment's record in an area where it has traditionally appeared

The process continued yes-

terday with a series of speeches by Labour frontbench spokesmen and tonight Mr

Kinnock will weigh in with an

assault on Mrs Thatcher'e posi-tion when he addresses a rally

in his South Wales constitu-

Irrespective of the unpopu-larity of a number of the Gov-

ernment's latest reforms, it is the state of the economy that all parties still believe will

hold the key to the result of

the next general election.
In spite of the Government's recent struggles with inflation

and the balance of trade, it has

been Labour's fate not to attract public confidence in its

own abilities to run the economy any better. The Opposi-tion, consequently, has now

fully embarked upon-its big gest challenge - to make stick

charges of government eco-nomic incompetence and mis-

THE TWIN resignations of Mr Nigel Lawson and Sir Alan Walters have uncovered the shadowy roles of special advisers in general and in particular of those who personally advise Mrs Margaret Thatcher as opposed to those who are part of the government machine. of the government machine.

The roles are shadowy in the sense that advisers tend to stay one step behind their ministers and do not make their opinions

Sir Alan was a notable exception – he was deter-minedly open in the essentially secretive eystem of govern-ment that operates in Britain. Special advisers have had a relatively short and chequered role in British politics. Some have fleshed out full political careers, like Douglas Hurd, who was an adviser to Edward Heath and Desider to Edward Heath, and David (now Lord) Young, brought in to the Department of Industry by Sir Keith Joseph.

R John Smith, the shadow Chancellor, would never claim to

have played as big a role in Mr

Nigel Lawson's resignation as Sir Alan Walters. But his dogged and skilful onslaught

on the Government's economic

strategy and on the growing rift in Downing Street helped to bring yesterday's dramatic events to a head.

Less than a year ago, Mr Smith's own political future seemed in doubt after a heart attack. At the same time, the

morale of his party and of Mr Neil Kinnock, its leader, were

The succeeding months have

witnessed the sort of reversal

in personal and party fortunes that only Westminster can

deliver. Labour's confidence,

riding high after its party con-ference and in the face of con-

sistently encouraging opinion polls, is this weekend at a new

path to tread, hugely enjoying the Government's misfortunes

but anxious not to undermine

its credentials as a govern-ment-in-waiting by being seen to derive comfort from the eco-

nomic ills besetting the nation.

Party chairman, was yesterday quick to accuse Mr Kinnock of

"talking down the pound" and being totally unsuitable to lead the country. There will be

first stood at the despatch box

Mr Kenneth Baker, the Tory

Even so, it has a delicate

at rock bottom.

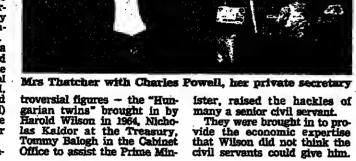
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to try to winkle out differences

Lawson on exchange rate pol-

After months of hammering

away at the Government's

alleged incompetence and at-

policy differences at the very

top – a strategy orchestrated by a united Shadow Cabinet economic sub-committee set up

after the last election -Labour finally smelt real blood

Mr Gordon Brown, Mr Smith's able deputy, was on a flight to Brussels 10 days ago when he read in the Financial

Times Sir Alan's remarks about the "half-baked" Euro-

pean Monetary System. They were, he said in a telephone call to London, "absolutely

It was quickly agreed that Opposition time in the Com-

mons the following Tuesday

would be devoted to a full-scale

debate on the Government's

Mr Smith led the attack, his well tested skills as a QC enabling him to launch a

relaxed, often witty and deeply penetrating assault, particularly on Mr Lawson's increas-

ingly unhappy position. It was, he said, time the Chancellor

did something for himself;
"time for enterprise and individual responsibility." He
should tell the Prime Minister
that the time had come to end

economic policies

tween Mrs Thatcher and Mr

It was 10 years later, under another Labour government, that special advisers became almost the rule, rather than the exception. But the special-ist etrain was beginning to weaken — political advisers wearen pointical advisers were becoming more common. The Thatcher years have largely continued the trend. Most ministers now have advisers. There is considerable variety to their backgrounds

variety to their backgrounds and in the roles ministers expect them to play.

Mr Howard Davies, control-ler of the Audit Commission, former Treasury official, and one of Nigel Lawson's advisers for a period, puts advisers into

three categories.

There is the political appointment, often from the research department of Conservative Central Office, with ambitions to become an MP.
They are usually young, cutting their teeth in the machine.
There are those which he

of the minister", following the person from one department to The most senior come within

the specialist category that brought the first into the sys-tem. Their jobs reflect the considerable weight some minis-ters put on their advisers. They frequently act as nego-tiators, representing the views of their ministers and sound-ing out the views of other ministers - most importantly, the Prime Minister.

At No 10, the role seems to be taken by the policy unit, headed by Brian Griffiths, the City University professor of banking. The unit, like that which served Wilson and Cal-laghan, is very much the Prime Minister's advisory centre.
Sir Alan seemed to have

been one of the small court surrounding the Prime Minister, like Mr Charles Powell, second private secretary, and technically her adviser on for-

US papers wake up to Thatcher's difficulties

By Peter Riddell, US Editor Washington

Lawson has shocked both poli-cymakers and markets in the US - raising for the first time THE resignation of Mr Nigel US - raising for the first time questions about the future of the Thatcher Government.
The ructions in the Conser-

vative Party of the past few months and Britain's economic woes have made virtually no impact in the US. They have barely been noted, except in financial market reports, let alone discussed by politicians and pundits The common assumption

whenever Britain is mentioned - which is not that often, com-- which is not that often, compared with, say, West Germany
- is that Mrs Margaret
Thatcher is a permanent fixture. The Labour Party was
written off in the mid 1980s
and there has been little readjustment to its recent changes, let alone its improved electoral

prospects.

As recently as Thursday morning, the Wall Street Journal carried an editorial arguing that "Maggie Thatcher must be doing something right; her political enemies are screaming louder than ever." The article concluded: "Perhaps Mrs Thatcher understands bet-ter than those distressed at her. style that ultimately history and Britain's voters will decide who is right about Europe, sanctioning South Africa or running Britain's economy." Yesterday, the US papers

were registering the seismic shocks. The New York Times headed its front paga story, "British Cabinet in a Flurry: Treasurer and Rival Both Out." There were similar, generally less prominent reports in the other main East Coast papers – although USA Today managed only one paragraph under "Elsewhere in the World."

The reports, while somewhat overrating the importance of Sir Alan Walters, have focused both on the effect on markets and on the political challenge to Mrs Thatcher, while generally not appreciating its seri-

The impact has been all the greater in the absence of a previous general realisation of the Tories' difficulties. Insofar as anyone other than Mrs Thatcher has registered in Washington, it has been Mr Lawson. He has not only been recognised as the main eco-nomic architect of the 1987 election victory, but is also familiar as a regular visitor to the US for international finan-

cial meetings. To policymakers in the State Department and elsewhere who do monitor Britain, the latest crisis underlines recent worries that Mrs Thatcher may be getting out of touch with changing international, as well as domestic, events.

PM 'is weaker' but EC shrugs off resignation

MRS Margaret Thatcher's opponents in the swirling European Community debate European Community debate over monetary arrangements yesterday took more heart from the political damage done to her government by Mr Lawson's departure than by the loss of a heavyweight proponent of full UK membership of the European Monetary System

"She's weaker, without doubt," said a Commission offi-cial, adding regretfully that the ructions might delay still fur-ther sterling's participation in the exchange rate mechanism (ERM) of the EMS.

It is argued in Brussels that,

for the good of its economy, Britain should join the ERM now, while the system is still effectively a D-mark zone run by one stern central bank (the Bundesbank) with a deflation-ary policy, and before the sys-tem becomes diluted by other EC states gaining a real say in

monetary policy.

The change of chancellors is seen here as making little difference to the outcome of the EC summit in December, at which the UK - Lawson or no Lawson - was always expected to vote against France's proposal to call a conference of the 12 member countries to incorporate arrangements for economic and monetary union in EC treaties. Indeed, British views may be irrelevant in the short term, since there is prob-ably already the required simple majority to decide to hold a treaty-revising conference. Britain's view will count dur-ing the negotiations them-selves, because treaty amend-ments require unanimity.

Mr Lawson will not be per-sonally missed among fellow finance ministers in the way Sir Geoffrey Howe was, when his departure from the Foreign Office this summer brought to an end 10 continuous years of EC council duty, first as Chan-cellor and then Foreign Secre-

In contrast to the mild-mannered Sir Geoffrey, Mr Lawson was viewed as being often tru-culent in EC discussions, reflecting his front-line posi-tion during a time when con-tradictions in the policies of Britain and of ERM-participating countries became steadily more apparent. He leaves a cer-tain legacy in the EC tax field, in which his call to let market forces, rather than central reg-ulation, bring indirect tax rates closer together has had some effect in Brussels.

Last month, Mr Lawson said he hoped to have the same suc-cess in convincing fellow finance ministers of the merits of his "competing currency" alternative to European monetary union.

It will now presumably fall to Mr Major to present the Treasury plan on this at his first appearance at the EC council of finance ministers on

Renton takes on a post of growing importance

By Ivor Owen, Parliamantary Correspondent

MR Timothy Renton takes over the post of Government Chief Whip in the Commons at a time when its role in monitor-ing opinion on the Tory back benches has seldom been more

Although not a member of the Cabinet, he is entitled to attend all its meetings and has direct daily access to Mrs Mar-garet Thatcher, the Prime Min-

Mr Renton will have the task of assessing the significance of movements of opinion within the parliamentary party and through soundings taken by MPs in their constituencies -

It will be for him to ensure the Prime Minister is speedily alerted if the criticism some Conservative MPs are expressing about her handling of the events that led to the resignation of Mr Nigel Lawson were

As Chief Whip (an office still formally identified as Parliamentary Secretary to the Trea-

surv) he will work closely with Sir Geoffrey Howe, the Leader of the Commons, and will be primarily responsible for ensuring that the Government's legislative programme

ment's legislative programme is successfully completed.

Mr Renton is a close friend of Sir Geoffrey. During the final stage of his period of office as Chancellor of the Exchequer, Sir Geoffrey appointed him to be his Parliamentary Private Secretary. mentary Private Secretary. When Sir Geoffrey became

Foreign Secretary in 1983, Mr Renton accompanied him, and the following year gained his first ministerial post as junior minister at the Foreign Office. He was promoted to Minister of State in 1985, a rank he retained when switched to the

Home Office in 1987. Mr Renton's elevation to Chief Whip will be seen as further evidence of the way in to show signs of gathering which events have helped to since he was forced to give up his post of Foreign Secretary in

Business world fears another rise in interest rates

By Our Industrial and Financial Staff

much more of that. — ** the confusion and disarray and it was as far back as March * tell her to back him or sack 1988 that Mr Kinnock himself him.

MR Alan Richardson, one of the small entrapreneurs spawned by the Thatcher decade, was recovering from a

decade, was recovering from a bont of litters.

He said: "My first thought was 'we're right np to our necks in it now' — but things seem to be calming down."

His joinery company, which employs 23 people, was born in 1979 as Mrs Thatcher came to power. In the last year it has seen orders fall by about 30 percent inst as it went into a

cent just as it went into a £600,000 expansion programme. Mr Richardson is desperate for some stability in economic policy. He said: "If interest rates go up again we will really be bit. Mr Major needs to make

a speech soon to set economic policy on a clear path." That desire for clarity was the dominant theme that ran through business reaction to the political turmoil of the last

The upheaval in the Government, coming in the wake of last week's gyrations on the

trialists feeling they are the last guardians of the econo-my's foundations.

The attack on Mr Lawson's

There was little sympathy for the way the Lawson-Walters conflict had been handled by Mrs Thatcher. As the chairman of a fast-growing food company put it: "If you get a chairman and finance director who are not communicating and the chairman takes his advice from outside, you would be heading for disaster."

The finance director of one of Britain's largest companies commented: "Mrs Thatcher looks like a captain without a team. Boardroom discussions today will certainly have been less confident than they were even last week."

Most industrialists believe the political instability of the last two days will only be a glancing blow to the economy. They believe the political damage to Mrs Thatcher may be limited, for few can see any reason to mourn Mr Lawson's The deputy chairman of one

of the country's leading compa-nies was looking forward to a mies was noking lorward to a vintage Thatcher performance. He said: "It is rather good news that they have sorted out the act, It is a question of whether Mrs Thatcher comes out of her corner fighting and I think she will. Who remembers Westland

will who remembers westand and a chap called Brittan?"
Mr Keith Robinson, director of Merseyside Chamber of Commerce, recalled the former left wing administration at Liverpool Council as he issued this warning: "We know first-hand what political instability does to the economy - it

drives a coach and horses through business confidence." Most concurred with Sir Denys Henderson, the chairman of Imparial Chemical Industries, that Mr Lawson was an imaginative, reforming Chancellor. But the interest rate rises he sanctioned were blamed for clouding the outlook for orders and investment. Mr Peter Williams, chief executive of Reepak, the office supplies, paper and packaging group, has been considering a £200m joint project to build a new machine to manufacture newsprint

management and to offer a

credible alternative. Mr Smith has so far played

his part well, emerging as the

voice of confident reasoning, rolling back Labour's image as the party of high taxation and acknowledging the role of the markets in constructing a pro-

gramme of economic efficiency

Next Tuesday he will lead Labour's attack in another

and social justice.

Mr Williams said: "It is particularly difficult to think about a big investment in this

Mr Malcom Baucher, manag-ing director of a building ser-vices and property develop-ment company said: "If there is another rise in interest rates it will be catastrophic for my business. We have projects in the pipeline which could just disappear."

Owners of small businesses

were particularly bitter about the way the economic screw has turned in the last few

Mrs Jan Morland, owner of Glastonbury Galleries, which employs 10 people making and selling picture frames, remembers struggling through the recession of the early 1980s. She said: "If we had expanded last year we would be bust now. We have just got back to High interest rates could throttle us. People in high office should not be playing silly whatsits and leaving us to pick

of the economy. Mr Kinnock is totally justified in leaving the job to his Shadow Chancellor,

but his silence will be used by

the Tories to claim that the Opposition leader himself remains a liability on matters

For the time being, however,

the Tory Party is too busy lick-

ing its own wounds to be try-ing to inflict them on others.

economic.

Mr Alan Greenway, who employs eight people at his West Country printing company, Fullcross, admitted that the last year had "made me start to think again about whether the Conservatives really do support small busi-

what industrialists want from Mr Major is clarity on interest rates, the exchange rates and the European Mone-tary System (EMS).

A significant minority do not

share the CBI's belief that Mr Major should open the way to full membership of the EMS as a solution. "I think it is largely irrelevant," said one leading

Mr Brian McGowan, manag-ing director of Williams Holdings, suggested: "The decision they come to is probably less important than the fact they

Tories rallied in the regions

By Ian Hamilton Fazey and Richard Tomkins

many of Britain's Tory constituencies yesterday although Friday is not traditionally an active one for constituency

In the north - not one of the party's best-charted territories - there was some criticism of Mrs Thatcher as well as a rallying of the troops.

in Crosby, Merseyside, Mr Malcolm Baucher, chief execu-tive of his own building services and property develop-ment company and a rank-and-fila membar of Crosby Conservative Association, was highly critical.

"I think it's mismanagement of a high degree," he said. "Anyone who writes such a blunt letter of resignation as Nigel Lawson's clearly reveals

THE DAY passed quietly in Mrs Thatcher has let get out of had reshuffled her team at the

"Either we have to move very decisively to change lead-ers now or we have to back her for the next election. She has been very good for Britain and accomplished great things but lately she seems to have lost her magic touch."

Mr Hugo Musson, a Scot who

is the Conservative Party's chief agent in Liverpool, was Mr Lawson's agent in Blaby. Leicestershire, from 1974 to

"He was a brilliant minister but was also a good constitu-ency man. He combined both jobs excellently," he said. Like other party officials, Mr Musson was also running a damage-limitation exercise yes-terday, saying that the speed with which the Mrs Thatcher

top "proved her quality and worth as Prime Ministe Mr Steve Fitzsimmons, leader of the Conservatives on Liverpool City Council, said:
"However sad we are that it
has happened, we must respect

it was right to go.
"We are going to rally round the new man and the Prime Minister. I think she is to be admired. She has never flinched from what she has had to do, whatever the criti-

In Birmingham, Mr Keith Andrews, chief agent of the Birmingham Conservative Association, said support for the premier appeared to be undiminished. "If there's a flap, I don't know about it," he said.

Major faces critical task of mastering Treasury policy

By Simon Holberton, Economics Staff-

THE DEPARTURE of Mr Nigel Lawson from tha Treasury leaves a vacuum at the top that will take time for Mr John

Major to fill. How much time depends on Mr Major's ability to master the brief of Chancellor. In that process, the role of senior Treasury and Bank of England offi-cials will be crucial.

In this sense, the Treasury's power in setting economic policy may be enhanced by the arrival of a man respected as politically astate but seen as lacking the technical econom-ics ability equal to his prede-

At tha Foreign Office. Mr Major showed himself capable of learning quickly and absorbing a vast amount of informa-tion in a short space of time. in the City it is seen as crucial that he does the same at the Treasury and presents him-self as being in control of Brit-ish economic policy. Mr Peter Spencer, economist

at Shearson Lehman Hutton, said any suggestion that he was playing second fiddle to No 10 Downing Street on policy would do him no good. The role of Professor Brian Griffiths, head of the Downing

Street policy unit, would be watched closely for a sign that No 10's preference for narrow. domestic monetarism was tak-ing precedence over the Treasury's more internationalist approach, he added.

Mr Lawson dominated the

Treasury like few before him. His grasp of the detail of economics and the full range of the Treasury's responsibilities fostered admiration bordering on awe among his officials.

A senior Treasury official was recently heard to wonder aloud what the Treasury would do if Mr Lawson moved on. OU IMP LAWSON MOVED ON.
During six and a half years at
the Treasury he had been
involved in avery important
issue of government policy and
had a familiarity with the mechanics of government rivalled only by Mrs Thatcher and Sir Geoffrey Howe, the Deputy Prime Minister.

Deputy Prime Minister.

Treasury officials will find themselves working harder than before to keep Mr Major abreast of policy, its history and the Treasury's preferred direction for it. They have been used to a man at home with state-of-the-art economics, and capable of debating the assumptions behind the complicated mathematical equations used in modern economtions used in modern economics to defina economic behaviour.

Mr Major's two years at the Treasury, which ended this summer when he was promoted to Foreign Secretary, were as Chief Secretary — the No 2 slot, devoted to controlling government expenditure. It gave him an unrivalled view of the whole apparatus of government but only a tangen-tial insight into the broad themes of economic policy.

SuperMac unflappable in 1958

Macmillan's reaction to the loss of his entire Treasury ministerial team in January 1958, yesterday's attempt by Mrs Margaret Thatcher to claim it was "business as usual" was far from impres-

Macmillan did not make a

special appearance on the steps of 10 Downing Street to insist that there was no cause insist that there was no cause for concern, but headed for the airport to start a six-week tour of the Commonwealth.

He dismissed the resignations of Mr Peter (now Lord) Thorneycroft, the Chancellor, and hie two principal lieutenants — Mr Enoch Powell and Mr Nigel Birch — as a "little local difficulty".

That episode did more than

That episode did more than anything else to mould public opinion. The impression was created that Macmillan was fully entitled to the "unflappa-ble superMac" image - bolstered by memorable cartoons by Cummings and Vicky – which be retained for almost his entire tenure of office as

The reality was rather dif-ferent. Macmillan, for all the bravery and fortitude that enabled him to survive the serious wounds he received when fighting in the trenches in World War I, frequently found it daunting to face the Commons at times of crisis.

On such occasions he always wore his Guards tie, and was wire his Guards he, and was able to produce an elegantly phrased and telling response, whether dealing with Labour heavyweights like Aneurin Bevan or a more timorous critic from his own side. Mrs Thatcher, as she demon-

strated again on Thursday, has relied on her own special brand of bluster and repetition to achieve mastery over the

It may be that a more adroit touch is needed to demon-strate the Government's abil-ity to remain on even keel in the wake of such a destabilis-ing event as Mr Lawson's resignation. The Prime Minister, whose judgment is being increasingly questioned, has yet to damonstrate that she has the capacity to provide it.

eded Macmillan as Cha lor in January 1957 when he took over as Prime Minister from Sir Anthony Eden amid the convulsions that followed the Suez crisis, resigned in defence of what is now known

He was not prepared to sanc-tion a 1 per cent increase in overall government expenditure, not because of the sum involved — an estimated 250m — but because of his failure to secure the support of the Prime Minister At that time, Macmillan and

the entire Government seemed far more vulnerable than Mrs Thatcher does now, and Labour's Shadow Cabinet, headed by Mr Hugh Gaitskell, issued a statement claiming that it was undergoing "progressive disintegration".

In the event, an immediate increase in bank rate was avoided, and less than two years later, in October 1959, Macmillan led the Conserva-tive Party to its third succes-



Bags packed, Peter Thorneycroft leaves 11 Downing Street after his resignation in January, 1958

Philip Stephens looks at Mrs Thatcher's current standing in her party A depreciating electoral asset

Constraints on Mr Major

MR JOHN MAJOR has risen by being put in the place of senior ministers who have fallen foul of the Prime Minister's aversion to the European Commu-nity, to general, and the Euro-pean Monetary System, in particular. The only thing he has done to deserve this reward is that he has carefully avoided controversy on these and most other subjects. This

Inxury he has now lost.

His party may hope that Mr
Major will develop (and then
agree with the Prime Minister) a new policy, one that will reduce inflation and permit a substantial lowering of interest rates — all in time for the next election and without too deep a John Smith, the shadow Chan-cellor, no new policy to achieve this miracle exists.

All Mr Major can do is to try to exploit the limited freedom he has. But first he will need a clear understanding of the fix the Government is now in. Since Mr Lawson and Mrs Thatcher agreed on so much, it was no ordinary dispute that divided them so bitterly.

Sensitive issues

Their conflict lay at the intersection of two sensitive issues: relations with the EC, on the one hand, and the future of monetarism, on the other. After the early 1980s, it was widely agreed that the focus on broad money had proved unworkable. This left two indicators, narrow money and the exchange rate. Those close to Mrs Thatcher hew to narrow money, but Mr Lawson regards it as no more than a

coincident indicator.
In his view a different, more credible policy rule was required and, in this way, he was led to the exchange rate mechanism of the European Monetary System. Against him he then found ranked both the believers in narrow money and Mrs Thatcher herself, with her anxieties about the loss of

The shift by Mr Lawson and Mrs Thatcher's subsequent response created a long-rinning and damaging dispute. nomic policy is that Mr Major now inherits a Treasury which no longer follows any clear rules at all. Though the Govfreedom created by this pragmatism, it is bound by circumstances, instead.

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One might euppose, for example, that the Government will now pay much less atten-tion to the exchange rate. It is, indeed, this belief that has pushed the effective exchange rate down by 2 per cent since Thursday evening and the exchange rate against the D-Mark by 7 pfennigs.

Higher profitability

The consequence of the depreciation should, if it lasts, be higher profitability in the production of tradable goods and services. Yet this is not the end of the story. No govern-ment will be indifferent to a collapsing exchange rate. If the trend continues, there will be action, including higher interest rates. If so, the change in policy would be nothing like as large as some now expect. Mr Lawson's resignation would simply mean a somewhat lower pound and somewhat higher interest rates than would otherwise have been the

Partly because of the pressures in the foreign exchange markets and partly because of the lags inherent in all economic policy, Mr Major can do little to alter the economy within the time horizon set by the next election.

What then can he see alread? Interest rates at their present level will unquestionably cre-ate a recession in the end. The key questions for the Government are: first, how seriously the slowdown will affect productivity; secondly, how quickly the present upsurge in wages will come to an end; thirdly, how damaging the squeeze on profitability will prove, particularly for investment; and, last but not least, whether exports will continue to grow at a satisfactory rate.

The answer to those questions will be determined by the success of the policies that united Mrs Thatcher and Mr Lawson. Beyond reassuring the

"THERE IS NOTHING like blind loyalty in a crisis," said one of Mrs Margaret Thatcher's senior ministers in the immediate aftermath of Mr Nigel Lawson's stunning departure

from her Government, So the public message from the Prime Minister and her reshaped cabinet yesterday was that the Conservative Party would respond to the latest political turmoil in its time-honoured

fashion - by closing ranks.

It will not be that simple. The wounds on the Government and on Mrs Thatcher's own reputation left by the most spectacular resignation since Mr Peter Thorneycroft duit as Mr Harold MacMillan's Chancellor in

Mr Harold Macanism's Charles in 1957, will not heal easily.

Mr Kenneth Baker, the party chairman, spent yesterday trying to ram home a single message both to the Government's own supporters and to

The loss of Mr Lawson was regret-table, but the three great offices of state had been filled with skilful, experienced, ministers who would ensure that the Government's policies remained on track.

Despite the clarity of Mr Lawson's own letter to Mrs Thatcher — confirming a deep rift over exchange rate policy — there had been a personality clash, rather than a deep-seated policy conflict, Mr Baker insisted. Less publicly, Conservative party

managers were stressing that once the dust had settled the resignation would leave the Government stronger rather than weaker. With Mr Lawson and Sir Alan Walters gone, the Government would no longer be undermined by debilitating internal rows between the Prime Minister and her Chancellor over economic policy.

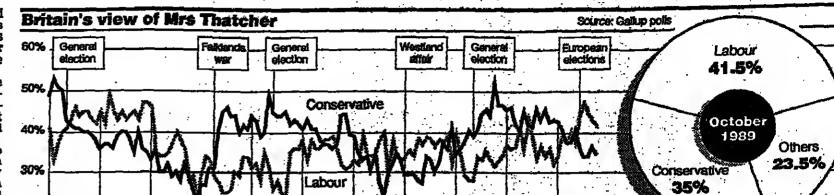
Displaying comething less than political tact, Downing Street insisted that, far from being downcast, the Prime Minister was on "very good form . . . her usual high-spirited

But the mood among her supporters at Westminster as they surveyed the political wreckage was far from san-guine. They appeared less than con-vinced by Mr Baker's, or for that matter, by their own public statements that what the Government faced was a squall rather than a hurricane. For the first time since the crisis over the future of the Westland heli-copter company in January 1986, Con-servative MPs were questioning seri-ously whether the Government can

any longer take for granted victory at a general election. The Conservative Party is 10 points behind Labour in the opinion polls, has been forced to put up interest rates to their highest level since 1981, and faces a long, hard struggle to bring down inflation and close the country's massive trade gap. Even before Thursday's events, the

task of beating off the challenge of Mr Neil Kinnock's remodelled Labour Major is, like everyone else, had faced during a decade to office. doomed to be a spectator of the Now, one usually confident senior searching test of Thatcherism minister commented, assuring the that is now under way.

Government's future would require a



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"lot of hard work and a great deal of As importantly, Conservative MPs were asking whether Mrs Thatcher is

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still the invincible electoral asset she has so far proved to be.

The Prime Minister's style of government — recognised even by her supporters as autocratic if not authoritarian - has been a source of inter-

narian — has been a source of inter-nal controversy from the moment she entered Downing Street in May 1979. There have been a number of storms, notably during her purge of the "Wets" in her first term of office and following the departure of Mr Michael Heseltine and Mr (now Sir) Leon Brittan over the Westland crisis. But until recently the prospect of But until recently the prospect of an almost indefinite series of electoral rictories have blunted the criticism. As long as Mrs Thatcher offered suc-cess in the polling booths both her position and her style were seen as

Labour's victory in June's Euro-pean elections and the surge of dis-content in Conservative ranks over Sir Geoffrey Howe's enforced depar-

It is possible a backbench MP may challenge Mrs

Thatcher for the leadership to test the party's mood

ture from the Foreign Office in the July cabinet resumile were thought to have changed that.

Mrs Thatcher concurred with Mr

Baker that the Government's strategy in the run-up to the next general election should emphasise a collective approach to decision-making. "The Right Team for Britain'e

Future" was the slogan on the backdrop to the platform at the party conference in Blackpool just two weeks ing almost detached — as Mr Baker and her ministers set out the policies on which the battle with Labour would be fought.

She also agreed that her ministers hould seek to avoid new political con-troversies in the second half of the present parliament and should seek to give "Thatcherism" a gentler image with a new emphasis on "quality of life issues."

1984

The change of presentation, however, did not extend to allowing Mr Lawson the free rein on exchange rate policy that he has sought for the last two years; nor to being forced to sack her own personal economic adviser. Even yesterday as Mr Baker was singing the praises of the new "team," Downing Street was acknowledging that Mrs Thatcher had consulted none of her colleagues before appointing Mr John Major to the Treasury, Mr Douglas Hurd to the Foreign Office and Mr David Waddington to the

Several ministers were insisting nonetheless that the underlying cir-cumstances had now changed. Barring yet another catastrophe, they discounted the prospect of a serious challeage to the Prime Minister's posi-tion before the next general election. It is possible that a backbench MP will fun against her for the leadership as a stalking horse to test the party's mood. The gossip in the corridors of the Commons yesterday was that a challenge was possible as early as next month.

Equally, Mrs Thatcher just might choose to stand down before the next election. Some of those around her have speculated that even the "Iron Lady" might at some stage lose her appetite for the battlefield of politics. But the main contenders for the succession - Mr Baker, Mr Heseltine, Major, Mr Chris Patten, the Environment Sacreture and neckars still Size major, ar thris ration, the Environ-ment Secretary, and, perhaps still, Sir Geofficy — are unlikely to risk their positions by forcing a challenge. As one Conservative MP put it yes-berday: "This probably means that she will go sooner rather than later, but

after the next election rather than before it." The consensus among ministers, nowever, is that her authority within the Cabinet has been significantly

Mr Major at the Treasury and Mr Douglas Hurd at the Foreign Office are said to be "unsackable" and net-ther is likely to adopt a particularly

"Thatcherite" approach to their new jobs.
According to a colleague, the pro-European Mr Hurd, a former lieuten-ant of Mr Edward Heath, "has had a key to the Foreign Office in his waist-cost-pocket for the last 30 years."
But for those very reasons Mrs Thatcher would never have put him there in normal circumstances. Just

1988

three months ago was willing to offer his job at the Home Office to Sir Geoffrey. If he had accepted it, Mr Hard would probably have found him-self in the House of Lords. self in the House of Lords.

Mr Major, despite being characterised by Labour as a cipher for Mrs Thatcher and notwithstanding his problems with her over South Africa during the Commonwealth conference, is now in an impregnable position. tion. His views over the European Monetary System — the issue at the centre of Mr Lawson's resignation are far from identical to those of the Prime Minister. Unlike his predeces-sor, he will be able to take a fairly dispassionate approach to the EMS and he is against any precipitate

Mr Major's colleagues believe he will have to maintain the monetary squeeze well into next year

move while the economic outlook remains uncertain. His instincts are teither those of Mrs Thatcher or those of Sir Alan Walters. One senior minister summed up the general mood among his colleagues in

this way: "We now have rather a good cabinet . . It just was not an ideal way to get there." Another said: (Mrs Thatcher) is in a rather small minority (in the cabinet) now." If such ministers are right, a more collegiate approach to running the Government will not solve its problems. Mr Major avoided another rise in

he arrived in his Treasury office yestarday painted a far from an encour-aging picture.

Even without a further fall in sterling's value. Mr Major's colleagues believe that will have to maintain the present monetary squeeze well into next year and that his first Budget in March will be nothing if not austere. Tax cuts next year are already ing ruled out, and there is a grow ing conviction among ministers that the time required to bring down inflation and the current account deficit will leave Mrs Thatcher no alternative but to delay an election until the

Mr Major might still hope to avoid an outright recession, but that will offer little consolation to voters facing an intense and prolonged squeeze on their living standards.

their living standards.

Against that austers background, Mrs Thatcher's new team has still to cope with the unpopularity of the sale of the water and electricity industries, the introduction of the poil tax, and reform of the health service.

Nor will the Government's dilemma over Europe go away, French President Francois Mitterrand is widely expected to use the European Community summit in December to step up the pressure on Britain to take sterling into the EMS—perhaps by bringing forward from next July the abolition of Krench exchange controls.

The newly-confident Labour party The newly-confident Labour party

will be ready to selze the opportuni-ties. Mr kinnock has made clear that the "revisionist" shift into the politi-cal centre ground signalled by this year's policy review will continue right up to the election.

Mr John Smith, the Labour shadow chancellor, expects plenty of opportu-nities both to exploit the continuing

squeeze on living standards and to re-open differences between Mrs Thatcher and her ministers over One senior minister was yesterday

consoling himself with the thought that it had taken the Government only 18 months to recover from the depths of the Westland affair and go 1967 election.
But then, of course, it could rely on an economic boom — delivered by Mr

The axe over the Tory party's head

By Joe Rogaly

be question of Britain's role in the European Community hangs like an axe over the head of the

Conservative Party.
It was Sir Geoffrey Howe's disputations over the EC that so irritated Mrs Thatcher and her immediate advisers earlier this year that she removed him from the Foreign Office. It was a long-standing quarrel over Britain's membership of the exchange rate mechanism of the European Monetary System that led to the avoidable resignation of Mr Nigel Law-

son as Chancellor.

The irony of this is that
Messrs Howe and Lawson are
both unsulled torchbearers of
free-market liberalism = the very creed that the Prime Minvery creed that the Frime Minister, in more than one outburst, has insisted is threatened by "Marxism" and "socialism" imposed from Brussels. "We have not successfully rolled back the frontiers of the state in Britain, only to see them felimposed at a European level," said Mrs Thatcher in Bruges on Septem-

"Sovereignty is not virginity, which you either have or have not," said Sir Geoffrey in Blackpool on October 11, 1989.
"Only Robinson Crusoe could count himself master of all he surveyed." The Deputy Prims Minister's view is that in every international treaty and transaction there is a giving and taking of the elements of

national power. The joke that tired in its use gainst Sir Géoffrey by No 10 is that just as the Department of Industry represents industry, so the Foreign Office "repre-sents foreigners." Would his immediate successor, Mr John Major, have been any different had he remained at the FO for more than three months?

In conversation, Mr Major comes across as one who understands very well that Britain's future lies in the EC, and that if piust; indeed, seek to be a leader on the other side of the Channel. Even if you fight for British interests, you do best if you use the language of the Community-minded. He knows that this is the young-

by what he sees as the rising generation of potential Cabinet ministers inside the Tory Party. The doubt, which has followed him to the Treasury, is whether his evident desire to maintain a good relationship with the Prime Minister over-rides other considerations. We

we shall also see about Mr Douglas Hurd. His personal history euggests that he arrives at the FO as a Ruropean, more Foreign Office than the Foreign Office itself. Put-ting him to as Foreign Secretary just one short summer after ousting Sir Geoffrey is a eign of how desperate Mrs Thatcher must have felt on Thursday. You could assume that Mr Hurd will be in a strong resistor to arrang with strong position to argue with the Prime Minister, since to the Prime Minister, since to lose more than one foreign secretary per quarter would be regarded as careless, but I remain to be convinced.

The potential schism runs right through the party. Mrs Thatcher's mistrust of foreigners is shared by perhips a

ers is shared by perhaps a majority of the rank and file; the perception that we must move with the rest of the EC has a strong following on Tory benches in the House of Com-mons, in spite of its association with Mr Edward Heath and with Mr Edward Heath and perhaps because of the skilful way in which Mr Michael Heseltine has picked up the banner of modernism. Against that, Mr John Redwood won attention in July with a midnight speech asserting the rights of the House of Commons. . . the ultimate power to make proposals from Europe comes from this House," he reminded it. Some in the Cabinet, like the Envi-ronment Secretary, Mr Caristopher Patten, are not crusading economic liberals, others, like the Employment Secretary, Mr

Norman Fowler, or the Indus-try Secretary, Mr Nicholas Rid-ley, express the very spirit of Bruges. All of this is well understood by that carny pair of old socialist plotters, Mr Jacques Delors, the president of the European Commission, and Mr

François Mitterrand, the President of France. They were astounded by the Bruges speech, irritated by the period of British nit-picking over Brussel's regulations involving cigarette-packets and the like, and bruised by Mis Thatcher'e handbagging of Sir Geoffrey's torthously won agreement at the recent Madrid summit. They are now rather clumsily and publicly preparing an ambush for Britain at the next

amount in Strasbourg.

Mrs Thatcher camiot look to
the German Chancellor for
help, since Mr Kohl is known to harbour a strong personal antipathy for her; he is, anyway, preoccupied with the German elections due at the end of next year and committed to his alliance with the French, Her that the Delors-Mitterrand team will overdo it, particularly in persisting with every dot and comma of the latest draft of the social charter. If that happens, the Bruges-minded Tories will begin to win more of the arguments. Better yet, the Labour Party will probably continue to parade itself as the most European-minded of all on the ground that the EC will eventually enforce the "social jus-tice" denied Britain by That-

They cannot bank on such hopes, however. The reason lies in the intense political and nationalistic passions that are now seen to reside in the Prime Minister's soul. A week ago today, in Kuala Lumpur, Mr Foreign Secretary Major manocuvred the 40 other Commonwealth heads of government a long way towards the British position on South Africa. Mrs Thatcher destroyed his victory by putting it all in much stronger language, just as she had done with Sir Geoffrey'e carefully worked-out for-mula at Madrid. She would need to develop a wholly uncharacteristic restraint to keep herself from doing the same thing at almost any time over the coming months. That axe over the party's head is in the Prime Minister's own









Geoffrey Howe, disgruntled survivor, Michael Heseltine, ambitious outsider, Douglas Hurd, convenient fallback, David Wadnington, counterweight

rs Thatcher's Cabinet changes
and there have been rather
a lot of them by now - never quite conform to a pattern. At the beginning, it seemed that she was trying to weed out the "wets" and the irreverents. The now Lord St John of Fawsley was the first casualty in early 1981. Sir Ian Gilmour and the late Lord

1981. Sir Ian Gilmour and the late Lord Soames shortly followed.
Not all the fallen, however, were in that category. Mr David Howell, for instance, was dismissed from the Cahinet not because he was insufficiently Thatcherite, but because she thought he was not up to the job. And Mr John Biffen was removed as Chief Secretary to the Treasury because he failed to live to the insufficient which the meeting because he failed to live to the insufficient which the meeting sometimes which. up to his previous convictions. Whatever Mr Biffen may say now about being a natural consolidator, it was he who promised "three years of unparal-

leied austerity." Besidés, Cabinet changes have been increasingly forced upon the Prime Minister by events, rather than planned by her advisers. The Fakklands War and the Westland affair were the major examples; the resignation of Mr Nigel Lawson is the latest. But there were others: the Parkinson affair and the ill-ness of Viscount Whitelaw both led to

significant changes.
Given the size of the turnover, it would have been difficult to maintain a consistent pattern, even if Mrs Thatcher had tried harder to do so. The result has been a rather curious list of survivors, none of whom could be accurately described as her placemen. If

they were ever to get together, Cabinet meetings could be quite different.

Several times she has simply had to turn to the best man for the job in the circumstances, even if he was not automatically her preferred choice. matically her preferred choice.

Mr Douglas Hurd, the new Foreign Secretary, plainly fails into that groupif the Prime Minister had wanted a professional at the Foreign Office, she could have given him the job long ago.

She did not indeed after the 1983 general election, she was ready to offer the post to the inexperienced Mr Cecil Par-kinson, who had been chairman of the

A curious mix of survivors

Malcolm Rutherford reviews Mrs Thatcher's Cabinet reshuffles

Party. Only a few weeks ago, she put in Mr John Major, whose qualifications for the Chancellorship were at least adequate, but for the Foreign Secretaryship unproven, to put it mildly.

Presumably the Prime Minister realized that her goddivities models.

ised that her credibility would have been even more at stake if she had sought to put in one of her favourites. Professionalism told in the end. Hurd thus becomes one of the great survivors of the Thatcher period and, like others, with roots that go back to Mr Edward Heath, the former leader.

Another survivor, from whom not much has been heard lately, is Mr Peter Well.

Walker, now secretary of State for Walker, mow Secretary of State for Wales. Mrs Thatcher had no great obligation to put him in the Cabinet in the first place, but she did and she has never dared to dismiss him. The reasoning must be that he could be a greater threat to her brand of Conservatism outside the Government than within. Mr Walker, who seems to have been around for ever, is only 57 and has become a great European, with all the zeal of a convert.

There are others who have advanced more in spite of than because of the Prims Minister. The outstanding example is Mr Tom King, now the Defence Secretary, Mrs Thatcher declined to put him in her first Cabinet, even though he had been in her shadow cabinet. Since then he has been Secretary of

State for the Environment, Transport, Employment and Northern Ireland.

Again the Prime Minister seems to have turned to him in emergencies rather than because he was her ideal choice. He has no particular reason to

feel grateful to her. Indeed when the battle for the succession comes, it would be unwise to overlook Mr King as an outside candidate who could make it as the compromise winner. Mr King is 56 and went down very well at this year's Tory Party Conference.

Norman Fowler, the Employment Secretary, is a survivor of shother kind. He has one outstanding achievement to

He has one outstanding achievement to his credit. As Transport Secretary in Mrs Thatcher's first Government, he presided over the management buy out of the National Freight Corporation, of the National Freight Corporation, perhaps the most successful of the privatisations. Mr Fowler may have been less outstanding since, but he is still around and regards himself as speaking for Middle England — never a voice to be overlooked in the Tory Party. Mr Fowler is only 51.

Before Mr Lawson's resignation, Sir Geoffrey Howe looked like a survivor on the way out. Possibly he was allowed by stay on only because his

allowed to stay on only because his popularity in the Parliamentary Party and in the country prevented Mrs. Thatcher from demoting him any further. This weekend, however, it looks a

Sir Geoffrey was dismissed as Foreign Secretary in the summer in favour of a parvenu. He has now seen the post restored to a professional and a heavy weight – some justification of his own claim that he ought to have been allowed to stay on. He also has the nominal title of deputy Prime Minister. And if this year's public expenditure round fails to be agreed between the spending ministers and the Treasury, it will almost certainly be Sir Geoffrey

who is called to adjudicate, in what would be a highly political task.

By now Sir Geoffrey has no reason at all, except his own natural loyalty and decency, to be grateful to Mrs Thatcher. He disagrees with her profoundly on European policy, if he were ever to strike, or anyone were to seek to persuade him to do so, it would have to be fairly soon. Sir Geoffrey is bordering on 63, only a shade younger than the Frime Minister.

Outside the Cabinet stalks — some would say slinks — Mr Michael Heseltine, now 56. So far, Mr Heseltine is the only Minister to have resigned, rather than been dismissed, from Mrs Thatcher's Government and to have stayed in the political game. There is no need to speculate about his political ambition. Everybody knows what it is that he makes no attempt to hide it. He wants to be the next Tory Party leader. Since departing over Westland, Mr Heseltine has behaved with consummate skill hardly a hint of disloyalty, and almost never in public. At the same time, he has begun to map out a rather different future: more European and interventionist in economic policy. Only a fool would decline to put a modest let on his chances of the succession. Hitherto, the general assumptions have been that the irruptions about the leadership would wait until after the general election, and that the outcome would depend on the result. Heseltine a near cartainty, if the Tories lost, for example, Probably the assumptions still hold, though I am not quite so sure.

What is clear is that there are enough

example. Probably the assumptions still hold, though I am not quite so sure.

What is clear is that there are enough independent people in the Cabinet—and outside—who could challenge Mrs. Thatcher if they wanted to. The question is whether they could agree among themselves. Certainly it has never happened before, even when Sir Geoffrey and Mr Lawson were at the height of their powers. And even now Mrs. Thatcher has used the reshuffle to shift some of the political balance. The new Hesne Secretary, replacing Mr Hurd, is Home Secretary, replacing Mr Hurd, is David Waddington. For the first time in her bremiership the Home Office will no longer be led a small "1" liberal.

Number 11 Downing Street are two full length portraits - one of Gladstone, the other

in a way it is highly appropriate that these two titans of nineteenth century politics should be the first things to confront Mr John Major as he moves

into the traditional London home of the Chancellor of the Exchequer.

For Mr Major will need the political skills and graces of a Disraell and the rigour of a Gladstone if he is to-overcome the crisis that has overtaken Government accounts and the region of the statement accounts and the region of the statement accounts are the statement accounts and the region of the statement accounts and the statement accounts are the statement accounts and the statement accounts are the statement accounts and the statement accounts and the statement accounts are the statement and the statement and the statement and the statement accounts are the statement and the s ernment economic policy making and divided Number 11 from Number 10, the

divided Number 1), from Number 10, the home of the Prime Minister and First Lord of the Treasury.

He also faces a task unknown to his distinguished 19th century forebears hut which would have stretched their political and presentational skills to the utmost: that of convincing financial markets around the world that he is his number of the prime with the prime wi own man and not just the Prime Minis-

As he starts his new job, all eyes will be focused on the new Chancellor's attitude towards the issue that led to Mr Lawson's resignation. Will Mr Major support Mr Lawson's instincts and back speedy British entry into the exchange rate mechanism of the European Monetary System, thus demonstrating that he is his own man? Or will he instead ally himself with the Prime Minister, who despite agreeing to take the pound into the ERM at the Madrid Summit of European Community leaders in June, appears to have as much distaste as ever for pegging sterling against other

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Table Table

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Mr Major has left few hostages to fortune on this issue or any others in his meteoric rise to the chancellorship. Until three months ago, he was a very able Chief Secretary to the Treasury. In this post, which has Cabinet rank and which he held for two years, he displayed consummate negotiating skills. But he was not required to pronounce upon either the exchange rate or the European Monetary System.

in his intervening brief snell as For-

in his intervening brief spell as For-eign Secretary, he tended to sound more conciliatory than Mrs Thatcher on European queetions. However, in a speech in mid-September in New York he made clear that Britain would not push for immediate membership of the exchange rate mechanism of the EMS although he said the Government sup-

ported the idea in principle.

But although the Government on Thursday gave all the appearance of a bouse divided, the picture is not as simple as that. Mrs Thatcher and Mr Lawson probably agreed on 90 per cent of
economic policy issues, most notably on
the goal of combatting inflation. This is
a common heritage shared by Mr Major
that will stand him in good stead.
Indeed one of the oddities of Mr Lawson's resignation was that the differ-

ences between him and Sir Alan Walters, the Prime Minister's former part time adviser who also resigned on Thursday, were over agreed policy. Since Madrid, the Government line has been to join the exchange rate mechanism, and thus peg the pound to the Deutsche Mark, once British inflation had fallen from its present high 7.6 per

ominating the front hall of Peter Norman measures the challenges facing Britain's new Chancellor

Groping for clarity in a house divided

cent level to a rate in line with the UK'e European partners and after those member countries of the EMS which etill deployed exchange controls had lifted them.

Mr Lawson went hecause he per-Mr Lawson went hecause he per-ceived that this agreed process was being underwined by Sir Alan. Mr Law-son's problem was not that Mrs Thatcher specifically opposed British entry into the ERM, Indeed ehe has always maintained, despite her insis-tence that Governments should not "buck the market" on exchange rate issues that Britain would become a full member of the EMS "when the time was ripe." was ripe.

The former Chancellor's difficulty was that so long as Sir Alan was oppos-ing full British membership of the EMS, the markets believed that a rift existed between himself and Mrs Thatcher. When the prime minister refused to dismiss Sir Alan, Mr Lawson went because he helieved nobody ontside Downing

There is a strong desire for a clearer, rule-based system of economic management in Britain, for some sense of fixity

Street would know who to believe and Britain's economic policy would lack credibility. In the final analysis, he could not accept an alternative source of economic policy in the Prime Minis-

Now that both Mr Lawson and Sir Alan have gone, the big question is whether underlying differences on policy will remain between Numbers 10 and 11 Downing Street.

The short answer is that we do not know. The first brief statement from the new Chancellor on Thursday night was reassuring but gave nothing away. It underlined that inflation was the most damaging problem facing Britain, thet monetary policy was tight and beginning to work and that monetary policy would be kept tight for as long as

is necessary.

Against this background, there are arguments for and against expecting rapid moves towards British member-

rapid moves towards British member-ship of the ERM.

Arguing against early membership is that fact that despite the Madrid com-promise, nothing has changed in Mrs. Thatcher's approach to the EMS. In addition to believing that "fixed rates don't stay fixed" she dislikes the idea of foreign interference with UK sover-

eignty.

Moreover, Sir Alan may have gone
but another anti-EMS adviser could be waiting in the wings. Mr Brian Grif-fiths, the head of the Downing Street policy unit, is a born again Christian and a hard-line, dogmatic monetarist. Unlike Sir Alan, Mr Griffiths maintains a public silence. But his influence with the Prime Minister is substantial.

the Prime Minister is substantial.

An opposing view, arguing in favour of rapid ERM entry, would put the Lawson/Walters clash down to personalities. It remains a mystery, for example, why Mr Lawson insisted on making the Prime Minister choose between him and Sir Alan. He went out of his way in the House of Company lest Truesday to Sir Alan. He went out of his way in the House of Commons last Tuesday to attack Sir Alan for describing the EMS as "half baked", when he could have easily fudged the issue.

Pundits tipping rapid ERM entry could also argue that Mrs Thatcher could not afford to have a confrontation with Mr Major at present if he decided

with Mr Major at present, if he decided that the "time was ripe" for Britain to become a full member of the EMS and enter the ERM.

One theory circulating in the City yesterday was that Mr Major might decide to establish his credibility with the markets, by pushing for ERM entry. For a man who is reputed to be fearsomely ambitious underneath a genial facade, such a stance would have the added bonus of showing that he is not Mrs Thatcher's landog.

But economic politics rarely deliver such clear cut choices. For the moment

at least, policy will not change radically under Mr Major as Chancellor,

while the rates of return on capital in other OECD coun-

tries have essentially stood

still since 1979, the UK'e rate has roughly doubled - surely a tribute to Thatcherism.

Furthermore, the Bank of England estimated in its

Angust 1988 bulletin that in

production industries (plus

transport and communication) the UK was as profitable as elsewhere by 1967; on the most

relevant rate of return mea-

sure, allowing fully for depreci-

ation, it was the second most

profitable – a nose behind West Germany.

these proposals are now essen-

tial for future returbishment of the power station. If it cannot proceed with its new plan, for

whatever reasons, it will he up to Alton to reconsider its devel-

Since construction work stopped in March 1989, Wand-sworth Council, along with

English Heritage, has closely monitored the building's condi-

tion. Certain remedial mea-

sures have been agreed with the Alton group and carried

out by it, to secure the weath-erproofing of the architectur-

ally important parts of the

ther protective measures will be needed. These are currently being discussed, and will if

necessary be enforced.
Ian Thompson,
Borough Planner, Wandsworth
Borough Council,

Wandsworth High Street, SW18

Whether considering external reputation or educational benefit, independent schools

may perceive e weaker case for joining in with national assess-

ment at age 14: it may seem onerously concentrated and over-detailed; and, coming just

before two-year GCSE courses which do include an increas-ingly valued element of contin-

nous assessment, it may seem

irrelevant.

Landon N7

Paul Scruton 477 Holloway Road,

The Town Hall,

ilding's interior. With the onset of winter, fur-

The University of Liverpool

Patrick Minford,

opment proposals.



On a broader view of the UK economy, there are large-scale problems which support the existing policy of one day entering the ERM but not yet. The British economy is out of kilter with its European partners. Sterling is weak and dependence on inflows of hot money from abroad. Britain is running a 20th annual support account deficit a £20bn annual current account deficit Its 7.6 per cent annual inflation rate is more than twice West Germany's. In short Britain looks in no position to join a low inflation club that now is

enjoying sustained economic growth. Nevertheless, there is a strong desire for a clearer, rule based system of eco-nomic management in Britain. Mr Law-son had gradually given up all rules governing economic and monetary pol-icy making leaving the financial markets groping for some sense of fixity.

Already outside pressures for action are strong. Yesterday, Sir Leon Brittan, the EC Commissioner and former Government minister, added his voice to many in the City urging full British membership of the EMS in a matter of months.

This outside pressure will test the relationship between Mr Major and the Prime Minister. He may be able to see eye to eye with Mrs Thatcher and resist giving any support to the idea of early entry into the ERM. In this case the Government could experience harmony at the cost of possible turbulence on financial markets

Mr Major would also enjoy some back bench and grass root Conservative support if he let exchange rate fall in response to market pressures.

The third option would be to maintain Mr Lawson's strong sterling strategy. But if Mr Major seeks to take up the cause of the former Chancellor — a man he says he was proud to serve under — and Mrs Thatcher is seen as another in the look EDM enters the continuing to block ERM entry, the debate over the exchange rate mecha-nism will continue to dog Government policy with the next general election drawing ever nearer.

Edward Mortimer on the dispossessed Vietnamese History's bitter cup

for the boat people

Perhaps the bitterest epi-sode in Anglo-American relations during thie century, not excepting the Suez crisis, was the argument over Palestine in the 1940s. The US and Britain had just US and Britain had just emerged as victorious allies from the struggle egainst Nazism. Yet within a few months Britain found itself accused, by influential American voices, of behaving like the Nazis themselves. This was because Ernest Bevin, the Foreign Secretary of the time, was trying desperately to head off the explosion in Palestine which, he had good reason to believe, would be the inevitable result of unrestricted Jewish immigration.

In their attempt to check the flow of illegal immigrants the British seized boatloads of Jew-ish refugees and interned them in camps in Cyprus. Inevitably these became "concentration camps" for the American press. Bevin had to face furious crowds of demonstrators when he went to New York to address the UN. The US gov-ernment insisted that Britain should immediately admit 100,000 Jewish refugees to Pal-estine. Yet Congress would admlt only 20,000 to the US.

Today's problem of the Viet-namese boat people in Hong Kong does not carry quite the same emotional charge, but it contains some of the same contains some of the same ingredients. Hong Kong, like Palestine in 1945, is a dependent territory from which Britain is preparing to withdraw in very awkward circumstances, while seeking to minimise the damage to its inhabitants. And those inhabitants, like the Palestinian Arahs, are resolutely hostile to the absorption of immigrants the absorption of immigrants (whether refugees or not) from of course the boat people are not trying to establish their "national home" in Hong Kong

(as the Jews were in Palestine). Indeed they have no particular wish to stay there at all. Most of them, given a completely free choice, would go to the US. And their compatriots already in the US do not form a lobby with anything like the influence which the Jews did, and still do, exert.
Yet their hold on the Ameri-

can conscience is not alto-

gether dissimilar. If there is any people in the world towards which Americans feel a sense of moral obligation comparable to that which they feel towards the Jews, it is the Vietnamese. In some ways the vietnamese. In some ways the issue is even more sensitive. At least in 1945 the battle against Hitler and Nazism had been won. In Vietnam by contrast the Americans were defeated. They were unable to save South Vietnam from communism though they indicted round vietnam from comminism, though they inflicted great damage on both parts of Vietnam in the attempt; and in the end they left their Vietnamese allies and protégés to their fate. The idea of Vietnamese recole, whether technically ese people, whether technically refugees or not, being forcibly herded on to boats or planes and handed back to the mercies of the communist regime is repugnant to them. If such scenes were to appear on

The idea of Vietnamese, refugees or not, being forcibly herded on to boats or planes is repugnant

American TV, with people in British uniform doing the herding, an outburst of anti-British feeling in the US would be unavoidable, and the image of Mrs Thatcher – up to now so positive for most Americans would be badly, perhaps irre-mediably, tarnished.

Yet British ministers feel, much as Bevin did over Palestine, that they are being put in an impossible position. At a conference in Geneva last June it was agreed that the boat peoit was agreed that the boat peo-ple ehould be carefully screened to distinguish between genuine political refu-gees and "economic migrants." All the participating countries agreed to take a quota of the former (the US taking 22,000 plus half the new arrivals, Britain a mere 2,000 spread over two to three years). over two to three years),
But neither the US nor any
other country is willing to take those "screened out" as purely economic migrante. They, according to the agreement,

of origin." The screening mechanism is

now functioning, in a manner whose objectivity no one seri-ously questions, and less than 15 per cent of those so far screened have qualified as ref-ugees. Of those "screened out" (about 3,000 so far, but likely to be nearly 40,000 when the pro-cess is finished) only 386 have so far returned voluntarily to of Mr John Majnr, in his first and last eppearance as Foreign Secretary at question time in Parliament on Wednesday, that voluntary returns cannot provide the comprehensive solu-tinn that is necessary" and that therefore "it is soon going to be necessary to tackle the very thorny question of invol-untary repatriation."

The US view is that it is too soon to reach such a conclu-sion. US officials claim to

believe that, given more time, the staff put in by the UN High Commissioner for Refugees will be more successful in perreturn voluntarily. This ie "phase one" of the process agreed at Geneva, and the US does not agree that it is yet time to move into the second phase, in which "additional measures" - a euphemism for compulsory repatriation would be taken. The US says that Hong Kong is not alone in facing the problem – countries such as Thailand and Malaysia are holding larger numbers of Vietnamese migrants — and it contests the right of Britain or any other signatory of the agreement to proceed to phase two unilaterally. "Additional measures," in the US view, could only be taken by further agreement, after discussion in the steering committee set up hy the Geneva conference – a body which meets every two months.

British officials, grappling with the tension in the overcrowded camps in Hong Kong and between their inhabitants and the local population, do not believe that this leisurely approach will be tenable. Mr Douglas Hurd, the incoming Foreign Secretary, may soon have to choose between an explosion in Hong Kong and a serious crisis in Anglo-American relations.

LETTERS

'A crisis of credibility' Profitable productivity

From Professor R.P. Kinsella.
Sir, The present crisis in macro-economic policy is one of credibility. Assertions and "signals" are no substitute for a rational policy; one in which the financial markets believe and which takes full account of long-term UK financial and trade interests within the European Community. A decision to join the ERM (exchange rate mechanism) — to drop the Madrid preconditions — is essential to restore credibility and safeguard the supply side gains of recent years.

Control of inflation is the

Government's main. policy goal. The UK's inflation performance is markedly inferior to that of the EC as a whole. It is mistaken to believe that "autonomy" in monetary pol-icy outside of the ERM provides an effective basis for bringing down the rate of infla-tion. The fact is that it has failed so far.

Mr Nigel Lawson, the former Chancellor, allowed himself to be manoenvered into a sole reliance on high interest rates to bring down inflation. Such an approach - using one policy weapon directed towards potentially conflicting internal and external policy objectives is inherently flawed. If reduction in inflation really is the objective, the alternative is to join the ERM now.

A credible exchange rate regime – and certainty is what exporters and financial markets want above all else -would concentrate the minds and change the expectations of employers, leading to modera-tion in demand. This would itself allow some easing of interest rates which are press-ing hard on the traded goods sector and which, if continued, threaten to replicate the erosion of the manufacturing sec-tor which charecterised the late 1970s and early 1980s.

It borders on the wilful to jeopardise the cupply side of the economy in order to dampen consumer demand. Indeed, there is a strong case for reinforcing the benefits of immediate ERM membership through a revenue-neutral increase in VAT – whose incidence hears relatively more heavily on imported goods while at the same time providing some relief to the manufac-turing sector, possibly by an offsetting reduction in national insurance contributions. The benefits of joining the

ERM now would be, if not painless, at least a sustainable basis for reducing inflation over the next year or 18 months. This is the only strategy which will permit a progressive return towards external balance without imposing excessively high costs on the productive sector. The fact is that (contrary to

Mr Samuel Brittan's view) the

halance of payments deficit does matter when it is unanticipated and stems not from longer term structural factors but from policy mistakes. It mat-ters especially hecause the underlying balance of pay-ments position is vulnerable. Deferring membership of the KRM until the UK'e inflation rate falls to the EC average begs a number of questions. At what cost? And if inflation can be brought under control more effectively within the ERM (the record of the last 10 years shows this to be so) it makes little sense to persist with the present negative stance —

There are fundamental issues (particularly in budget-ary and regional policy) to be addressed in relation to stages two and three of the Delors plan. There are alternatives to the structures proposed by Mr Delors. These do not include the theoretical, fanciful notion of competing currencies, which would be an administrative

European monetary union (EMU) on July 1 1990. The present reluctance to participate in this process, and the failure to in Europe and jeopardising London's claim to be the pri-mary financial centre within an emerging European mone-tary union. It threatens to conpetual critic rather than that of architect of, historically, the most important innovation in European monetary history. R.P. Kinseila, University of Ulster, Coleraine, Co. Londonderry,

Northern Ireland

From Professor Patrick

In particular I must take Mr Wolf to task for saying that the rise in profitability still leaves

unless postponement is the point of the exercise.

and commercial nightmare.

There is every indication that a decision will be taken, at the next EC Council meeting to proceed with stage one of engage in positive, credible dehate on stages two and three, run directly contrary to the UK's domestic economic interests. It is sapping the strength and morale of Mrs Thatcher'e administration, undermining the UK's position sign the UK to the role of peras far as 1966 and shows that,

Sir. Martin Wolf'e surprisingly negative assessment (October 12) of the Thatcher eupply side reforms makes light of the sharp upward shift in productivity growth since 1979 – 10 years of the fastest in UK history, both in manu-facturing and in the whole economy, is apparently nothing to write home about.

us well behind the rest of the Organisation for Economic Cooperation and Development. The Department of Trade and Industry work he refers to goes

Conservation power From Mr Ian Thompson. Sir, London's Battersea Power Station project is sur-rounded by rumour and speculation, and it is difficult so times to ascertain the truth. Wandsworth Council's position

is quite clear, but is not as stated in your article (October The council has consistently taken the view that every effort must be made to restore this listed building. If, though, there is no viable alternative use of the huilding, it will of course be open to the owners to dearly concent to denotich to seek consent to demolish. The council is not suggesting demolition now. But there does seem to be some doubt over the future of Alton International'e new proposals for the

power station and the adjacent Battersea Wharf, in view of Parc Securitiee' stated intentions. Alton International claims, in submitting its out-line planning application, that

Testing time for schools schools taking pupils at 13 plus will have only the antumn term for obstacle-free teaching before this process looms. From Mr Paul Scruton

Sir, Arthur Hearnden says that "it is np to the senior independent schools to make up their own minds" whether or not to take part in the UK national curriculum testing at age 14 (Letters, October 14). age 14 (Letters, October 14).
But will it be to their advantage to join in, as he suggests?
Proposals from the School Examinations and Assessment Council are likely to mean that, in the year of testing, the spring term will be dominated by formally recorded reserved. hy formally recorded assessments of pupils; the summer term by carrying out nationally specified "standard assessment tasks." Independent

From Ms Penelope Maybin. Sir, Why does the FT go to

Managain Claw Astronomic Contract (40)

which replaced and anti-

feces grammatically in its Weekend section? The problem lies in the financial "agony aunt" letters. Surely readers who have snch impressive problems with property and tax know the accusative form of the first person pronoun? It therefore occurs to me that the letters might be mannfactured, and the ungrammatical forms are there to lend verisimilitude. But whatever the truth may he, will you please replace, for example, "to my wife and I" with "to my wife and me," and "it will be necessary for myself" with "it will be necessary for me"? I love that two-letter word "me" and I want to save it

from extinction. I look forward to seeing an increase in its numbere in your pages in future. Penelope Maybin, 48 Maidstone Road,

Kent Rara

avis

From Mr Gerald Long. Sir, Having been rude about Giles MacDonogh's anchovies (September 23), I should record that I thought his partridges (Weekend FT, October 7) were a model of the genre, informed, accurate, entertaining, useful. Reminded by him that the time for roasting hirds was running out, I spit-roast a pair; grey. They were delicious, and I am grateful. Paris, France

Retail price for rhino

From Miss Lucy Vigne.
Sir, When is everybody going to get it right that the main use for rhino horn (FT, September 30) is not as an aphrodistac, but — in the Far East — to reduce fever? The black rhino is killed for its two horns. Asian rhino horn

of \$40,000 per kilo, retail, which is about 10 times the price of African rhino horn. Ancy Vigne, Rhino Help International, Nai-robi Office (RHINO), PO Box 15510 Mbagathi, Nairobi, Kenya

in Taiwan costs the equivalent

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Bradford and Blingley(0274 561545)	Maximiser Boms	9.50	9.50	Yearly Yearly	£10.000	Inst. acc. Bonus for no windowls
	Maximiser Bonus Maximiser Inc.	8.50 9.50	9.50	Yearly	£1,000 £5,000	Inst. acc/ Borus for no wthdrwts 3 mths./90 day penalty
	Maximiser Greth Maximiser Elite			Yearly	5,000 5,000 10,000	3 m. ot./90 day penalty Term share extra int. guaranteed
	Marriedon To cale	10.35	10.30		,	3mths no. (9.85 mthly/grtly/12 yly lnc)
Bristol and West (0272 294271)	Matrixgard No.1 Capital	6.15	6.24 10.25	72-yearly Yearly	£25,000	Inst. Acc.E500 7.50 3 months' notice, £500 9.50
	No.1 Income	9.80	10.25 9.25	Blonthly Yearly	£25,000	3 months' notice, £500 9.10 Tiered to 8.50 £500+ instance.
Birfstol and West (0272 294271)	Share Account	6.15	6.24	2 yearly	Ð	Instant access no penalty
the first of the second	O. Sear Swincis Chb			Yearly	£25,000 £40,000	13.30 gr. non-UK res £1K 12.40 No withdrawais allowed 1 yr term
Catholic (01-222 6736/7)	Jubilee Bond-III	9.65	9.65	Mouthly	£1,000	60 pen/oot. M. Int. tfr. 9.95% Goaranteed rate 2/3 years
Britanela (0538 399399) Catholic (01-222 673677) Castery (Edinburgh) (031 556 1711)	White rat 2/3 yrs	11.25	23.57	Choice	Ð	Withdrawals avail at on penalty
			20.75	Yearly	£40,000	\$500+ 9.60 \$10K+ 10.00 \$25K+ 10.50 3m/mm pen
Cheltenham and Gloucester	Cheltenham Gold	9.50	9.50	Yearty Yearty	£25,000 £5,000	Monthly lot available Monthly lot available
Cheshrat (0992 26261)	Spec 90 Shares	10.58	10.58	Yearly	£20,000	90 days' notice/penalty
Chetterhon and Gloucester (0242 36161) Chestury (0203 252277) Coventry (0203 2522777) Coven	Spec 90 (ex-pat) Cheshnateash	13.16 9.25	13.16 9.25	M./Yearly M./Yearly	£20,000	90 days' mot/pen. Non UK resident. Instant access. Tiered a/c
Coventry (0203 252277)	Moseymaker	9.35	9.35 9.15	Yearty Yearty	£25,000 £10,000	Inst.ace, no pen. Mithly Int. £25,000 - 6.97%
	3-year Boad	10.35	10.35	Yearly	£1,000	Withs. 90 days out./penalty.
	90-Day Option 90-Day Option	10.35	10.35	Yearly Yearly Yearly	£25,000	Inst ace/no pen if hal £5,000+ Monthly income optino
From Schwod (0373 64367)	Gold Miner Acc.	9.75	9.99	2 yearly	£1 £40,000	On dermand:0-18 year-olds
Euardian (01-242 0811)	Premier Shares	10.35	10.75	Quarterly	£3,000	No pen, if £5K remains to acc. No not/pen, to bal, £3,000+
Halifax*	90-Day Xtra 90-Day Xtra	9.00 9.45	9.20 9.67	2-yearly	£500 £10,000	90 days, but Instant where
Halifare	90-Day Xtra	10.00	10.25	2-yearly	£25,000	£5,000 remains 3 mosths notice (+0.24%, £25,000+)
Lambeth 601, 928 1531)	Magazin Account	10.25	10.51	2 Yearly		6 weeks notice + penalty
Lambeth 001, 928 13311 Lancastrian (061 643 1021)	Masterplen 30 Day Account	11.25	10.45	Yearly Yearly Yearly	£25,000	instant access no penalty w/d per month of £5000 w/d pen
Learnington Spa (0926 450045)	High Fiver	5.85	5.85 9.00	Yearly Yearly	£1,000	Withdrawals on demand without penalty
		9.75	9.75	Yearly	£10,000	
	Super 90	9.50 10.00	N/A N/A	Yearly Yearly	£1,000 £10,000	Withs, 90 days not/penalty inst acc/no pen if bad
Leeds and Hulbeck (0532 439511) Leeds Permineent 0532 438181 Marsden (0282 692821) Mornington (02-485 5575) National & Provincial	Capital Bonus	10.30 11.60	N/A	Yearly	£25,000 £20,000	£8000 +. 1 yr tan CAR 11.93 met tare 1 Dec*
Leaf Samman 0532 439191	Capital Bond .	10.65	10.65	Yearly M/Yearly	£25,000	90 days notice or penalty 9.50 £5K 9.75 £10K 10.25 £25K
114-15-18-11-1-18-18-18-18-18-18-18-18-18-18-1	Liquid Gold	8.40	8.40	Yearty	£500	8.75 £5K 8.95 £10K 9.25 £25K
Marsden (0202 692821)	Young Leader Rainbow 90	7.00 10.25	7,12 10.25	'g-yearly Yearly	£25,000	Maximum Age 18 90 days notice
Marelanton (03,495 5575)	Rainbow 90	9.90	9.90	Yearly la-yearly	£110,000	90 days notice £10K+ lmm£20K 90d nt/pa.
National & Provincial	90 Day Motice Ac.	10.25	10,25	Yearly	Tiered	lest 10.25/9.75/9.50/9.25
			10.35 9.25	Mouthly Yearly Yearly	Tiered Tiered	As 9.89/9.80/9.34/9.11/8.88 Inst 9.25/8.95/8.75/8.40/7.90
Hational Counties (03727 42211)	StoneAway Bond 90 Day Account	9.60 12.00	9.60 12.00	Yearly	£30,000	2yr 0.5% bonus on maturity 90 days not or 90 days pen
Newcastle (091 2326676)	Nova Pluc	10.25 11.25	10,25	Monthly	£50,000 £25,000	Instant access. Thered A/C 50d not/E10K+ Imm Acc. Tiered
mand i the Colonial complete Total Colonial constitution	Classic	10.71	11.25 10.71	Yearly Monthly	£25,000	50d not/£10K+ imm Acc. Tiered
Northern Rock (091 285 71 91)	Militabrianes ,40	9.25 9.50	9.50 9.76	M/Yrty 66/Yrty	\$5,000 \$10,000	90 day notice 90 day notice
		9.75 10.00	10.02 10.28	M/Yrty M/Yrty	£25,000 £50,000	90 day notice
Horwich & Peterli'gh (0733 371371)	New 1 Yr 8d (2nd)	11.25	11.25	At end of te		last. Acc C50 days loss of Int.on Amp W/I
Nottingham (0602 481444)	Record Plus	10.25	10.25	Yearty	£25,000	90 day's notice or 90 day's penalty
Portsman Wester (0202 272444)	Fixed Rate Bood 60 Day Capital Ac	10.50	10.50	Maturity Yearly	£500 £25,000	Fixed 9 cotts no wills or addns. No restrictions over £20,000
Principality (0222 344188)	3 Month Option	10.25	10.25 11.00	Yearly Yearly	£20,000 £500	Tiered, 3 months notice/penalty. 1 yr term guaranteed rate
Scarborough (0723 3681,55)	Ninety	10.65	10.65	Yearly	\$75,000	90 day not/pen. Mithly lut Opt.
**************************************	Excelsion	10.30	20.30	M/Yearly	£25,000	500+ 9.75, 25k+ 10.25, 50k+ 10.50 1 yr term guaranteed 4% diff
Sheffield (0742 756300)	Statulen: Plus	10.75 9.50	10.75 9.50	Yearly Yearly	£10,000	Notice after 1 year, 7 days instant access no genalty
	Sovereign	9.00 10.50	9.00 10.50	Yearly Yearly	£5,000 £50,000	Monthly loc as on los £2,500+ 10% mly loc available
	Skipton Minety Skipton Ninety	10.25	10.25	Yearly	€25,000	9.70 Mly inc opt available
Stroud and Swinden*	Skipton Ninety Century (90 Day)	9.70 10.50	9.70 10.50	Yearly Yearly	£500 640,000	9.25 Mly Inc opt as on less £2,500+ 90 day notice or penalty
Town and Country (01-353 1476)	Classic Super Yield	12.00 10.50	12.00 10.50	Yearly Yearly	£25,000 £5,000	M.). Available @ 11.85% 90 Days Notice
	Super Yield	10.75 9.25	10.75 9.25	Yearly M/Yearly	£5,000 Tiered	180 Days Notice
Washrich*	Prime Account	-				lestant 8.40 £500+ S.75 £5K+, S.90 £10K+ 9.25 £20K+
Yorkshire (0274 734822)	Press. In Plus Ac Platinum Key	10.50 10.50	<i>10.</i> 50 10.50	Yearly Yearly	£2,000 £500	1 year term guaranteed 4,35% diff 60 days' notice /penalty
	Platiento Key Platiento Key	10.75 11.25	10.75 11.25	Yearly Yearly	£10,000 £25,000	Instant access over £10,000 Instant access over £10,000
	Golden Kry	9.50	9.50	Yearly	£1,000	lastant. access
	Golden Key Golden Key	9.75 10.25	9.75 10.25	Yearly Yearly	£5,000 £10,000	instant access Instant access
Ē.	Golden Key	10.50	10.50	Yearly	£25,000	Instant, access

Polly Peck buys control of Sansui

By Ian Rodger in Tokyo

MR ASIL Nadir, chairman of Polly Peck International was the toast of the Japanese establishment yesterday after announcing that his UK-based electronics and fresh produce group would buy a 51 per cent stake in Sansui, the troubled minor Japanese audio group, for Y15.6bn (£68.4m).

Japan has come under increasing foreign criticism over its institutional and cultural barriers to acquisitions at a time when Japanese compa-nies have been rushing to buy foreign companies.
Polly Peck is only the third

foreign entity to take control of a quoted Japanese company. All three have been friendly deals. In 1982, BOC Group, the UK industrial gases company, gained control of Osaka Sanso, a gases company, and the fol-lowing year the US drugs group Merck bought control of Banyu Pharmaceutical.
"This deal demonstrates that

open," said Mr Hikaru Matsunaga, minister of international trade and industry. Mr Ryutaro Hashimoto, finance minister, added: "Japanese companies" investments in foreign firms are accepted and the reverse should also be accepted as long as they are friendly deals."

The purchase was front page

Sales have tumbled from Y35.5bn in 1986 to an estimated Y26bn in the current year to October 31. Mr Ito said the company would probably incur a loss of Y6.4bn in the current year, bringing its cumulative deficit to Y13.8bn.

ears ago. Sales have tumbled from

panies were interested.



Asil Nadir (left) and Ryosuke Ito at the Tokyo Stock Exchange

roughly one third of their quoted value. Its consumer electronics subsidiary, Cape-tronic, was looking to acquire a well-known brand name as well as a base in Japan, San-

Despite the inevitable pledges of mutual respect, a shake-up is imminent. A senior Toshiba consumer electronics executive has been recruited as chief operating officer and

Support weakens for three AFI dissidents

By Andrew Hill

INSTITUTIONAL support for three dissenting shareholders in Amalgamated Financial Investments could have been weakened by last week's sale of a large state to an unknown. of a large stake to an unknown

buyer or buyers.

Mr Richard Wollenberg, Mr
Rupert Pearce Gould and Mr
Colin Weinberg are attempting
to join the AFI board at a spe-

to join the AFI board at a spe-cial meeting after the invest-ment company's annual gen-eral meeting next month. But Target Trust Managers, the unit trust group owned by Trustee Savings Bank, has sold its 7.7 per cent holding, which would probably have been cast in favour of the dissid-ents.

A similar attempt failed in August, after motions for the

Mt Charlotte

£100m placing

Mount Charlotte Investments,

second £100m tranche of 10.75

per cent first mortgage deben-

ture stock 2014. The stock was

placed at £95.008 per £100 nomi-

nal, for a gross redemption yield of 11.358 per cent.

Applications for Mount Char-

lotte's £151m rights issue of

ordinary shares, launched on September 28, close on Novem-

ber 13. It will be the second

largest rights issue of ordinary

shares to close after the mid

month slide in sbare prices. From 80½p on the day the issue was announced, Mount

Charlotte shares have fallen to

70p, 2p below the offer price.

been cast in their favour.

Target, which has been reducing its exposure to smaller companies, confirmed yesterday that it sold the shares last week, but said it did not know the identity of the huver or whether it was a the buyer, or whether it was a

The buyer or buyers are thought to have paid 24p a share, compared with last Friday's closing price of 23%p and yesterday's closing price of 22%p, down %p. If the shares were bought by a single inves-

Increased losses of £1.69m for Radamec

PROBLEMS which beset Radamec Defence Systems in 1988 have continued to affect 1988 have continued to affect profitability adversely at Radamec Group in the first half of 1989. The control systems manufacturer fell sharply from pre-tax profits of £515,000 last time to a loss of £1.69m. The shares closed down 3p at 37p. However Mr Leonard Whittaker, chairman and chief executive, said that the company "had pulled out of its rough

recently been won.

In 1988, when profits fell to £430,000 (£1.86m), an RDS con-tract – a substantial order for Ganfire Control Systems -

Star Computer shares fluctuate wildly

trol 54 per cent of the equity.

Star, which reported pre-tax profits of £464,000 in the six

months to December 31, blamed its "very poor" results on problems which emerged in

Connect Data, its cabling

subsidiary, suffered substantial losses after it bought GDC, a

NEWS DIGEST

two areas of its business.

in August 1988.

good, sound, commercial rea-sons" to a US company, said Mr Whittaker. This time an trading conditions in defence business worldwide had hit RDS, which made a loss, though all the group's other

businesses had operated profit-ably. However, with interest charges of £360,000, operating losses were £977,000 on turn over of £4.99m (£6.78m). The interim dividend is omitted.

Suppliers, by Unisys. The fig-ures include a stock writedown of £633,000, of which £199,000

was shown as an extraordinary In addition to these problems, Star said it had borne the substantial costs of moving its operations from the City to Watford, which it said would ead to significant savings in the future.

Raading company also involved in the installation of No dividend was recomdata cabling systems in offices, mended. Loss per share was 11.7p, compared with earnings of 11.3p last year. In the year to June 1988, Star made pre-tax Star also said that its commercial systems business lost a lot of orders following the takeover of the division's main profits of £1-21m on turnover of hardware supplier, Convergent

Founder of **TVS** offshoot MTM quits

By Jane Fuller and Clay

TVS ENTERTAINMENT, one of the UK's largest ITV compa-nies, yesterday announced the resignation of Mr Arthur Price, president and chief exec-utive of MTM Enterprises, its loss-making US television production subsidiary.

duction subsidiary.

It was not clear last night whether Mr Price had left of his own accord or had been asked to go. As recently as Wednesday night, Mr James Gatward, TVS chief executive, denied that Mr Price had been dismissed and said he stood by his September statement. "I will do nothing to damage the will do nothing to damage the fabric of the company and Arthur Price is part of that

Arthur Price is part of that fabric."

Mr Price had founded the company, famous for its roaring kitten logo and TV series such as Hill Street Blues and St Elsewhere, in 1969 with Mary Tyler Moore and Grant Tinker. He joined the TVS board when it bought MTM for \$190.5m in Apprest 1968.

190.5m in August 1958.
In a statement yesterday, Mr
Price said the time had come
for a change and he was
looking forward to new oppor-

tunites. Mr Gatward said senior

mr Gatward said senior executives at MTM regretted Mr Price's departure, which was announced one day after a meeting between TVS and its US banks. On Wednesday night, after what he described as a "rehearsal" for the next day's session, Mr Gatward said the meeting would be a rontine annual presentation.

Mr Gatward, who has been making frequent trips to Los Angeles, is taking on responsibility for running MTM, which is expected to make a loss of \$45m (£28m) for the year which ends next Tuesday.

MTM's losses had arisen from a series of difficulties in the US market, TVS said. Despite efforts being made to turn MTM round, it was not expected to break even for another 18 monties.

ted to break even for another 18 months.

At the programme making level, MTM has been told to cut costs. The limit being placed on the deficit between the cost of making a programme and the price obtained for it from a TV network had been reduced to \$150,000 for a half-hour show and \$200,000 for a one-hour show. The company starts to make money on

closed 4p higher at 195p.

US gives clearance for GM to start buying Jaguar shares

By Kevin Done, Motor Industry Correspondent

GENERAL MOTORS, the world's biggest car maker, has been given clearance by the US anti-trust authorities to commence buying shares in Jaguar the UK luxury car maker, strengthening the likelihood of an all-out bidding contest with Ford, its arch domestic rival; Ford, which has made a hostile approach to Jaguar, said yesterday that it had increased its holding in the company to 13.2 per cent (24,235,300 shares). It is believed to have spent around £170m for its present

The announcement that GM had been cleared to start buying shares in Jaguar supported the share price in yesterday's strengly failing UK stock mar-

Jaguar shares closed at 725p, a gain of 5p, and close to the high for the year of 74p that was reached in the wake of the initial Ford announcement last month, that it was seeking to become a major shareholder in

Jaguar. Ford has since announced that it is prepared to bid for 100 per cent of Jaguar, once the restrictions of Jaguar's once the restrictions of Jaguar's current articles of association on individual holdings are removed. In competition with the hostile Ford approach, GM is in the final stages of friendly negotiations on a series of

far-reaching "manufacturing, marketing, and other commermarketing, and other commercial joint ventures" with Jag-uar. It has said that it is con-sidering taking a minority stake in the company. Jaguar and GM are expected to reveal the details of an

agreed deal shortly, which will then be put to shareholders. Ford is now Jaguar's biggest single shareholder, however. Any GM/Jaguar deal involving

a minority holding is also a minority holding is also likely to run into opposition from the arbitrageurs, who have bought heavily since Ford's first announcement and are now thought by financial analysts to own as much as 25-30 per cent of the Jaguar

Mr Roger Smith, General Motors chairman, has told a group of British MPs, that GM is pledged to maintain the independence of Jaguar independence of Jaguar "should agreement be reached on a plan for GM to provide a substantial cash injection and considerable technical help."

considerable technical help."

Sir Hal Miller, Conservative MP for Bromagrove and chairman of the all-party motor industry group, which has just returned from a visit to Detroit, said that, "It seems clear that GM have in mind a new engine plant and a new body also which will also supply Jaguar. It is not yet definite that either of these will be located in Britain."

Delaney's ousted chief returns sul's licence from Victor Corpo-ration of Japan (JVC) to make video cassette recorders was The terms of the deal are not some production will be shifted to Polly Peck fsctories in Taiwan, Turkey and Malaysia. See Lex easy for other Sansui share-holders. Polly Peck is to be issued new shares for Y400, chief executive, Mr James Phil-potts also joined the board. MR NATHU Ram Puri, ousted as chairman of Delaney Group

single investor.

tor, the purchase should have been declared by yesterday.

By Andrew Bolger

SHARES IN Star Computer

Group fluctuated wildly yester-day after it announced pre-tax

losses of £930,000 on turnover

of £14.2m in the year to June

The shares plunged from 53p to 25p then bounced as high as

60p before drifting back down to 53p, unchanged on the

Marketmakers said trading

volume had been low and no

buyers had built a significant stake in the company, which

sells computer equipment and

software. Star's joint chairmen, Mr D Blechner and Mr Jack Schumann, between them con-

By Peter Pearse

"had pulled out of its rough period", that there was now a positive cashflow and that more than £3m of orders had

overseas defence contract for the design and manufacture of high-grade cameras with Len-zar, a small Florida-based lens maker, was proving problem-atic. As a result Radamec has made a full provision against amounts receivable of £709,000, increasing the losses total.

Mr Whittaker said that poor

> show. The company starts to three years after the network deal, through selling it on to smaller stations. But TVS said this secondary market had "fallen apart."

> Deregulation had led to a proliferation of small stations chasing a limited amount of advertising revenue. They had started to jib at paying the higher price of quality programmes, particularly the hour-long ones which were also more difficult to schedule. Most of MTM's "classy" shows have been in the one-hour for-mat. TVS shares yesterday

as charman of Delaney Group
in May, has unexpectedly
returned to the job, apparently
uniting the two squabbling factions on the board of the furniture maker and shopflitter,
writes Andrew Hill.
Mr Nigel Fuller-Shapcott,
who succeeded Mr Puri, has
resigned from the board

who succeeded Mr Fur, has resigned from the board. In a statement issued after the market closed yesterday. Mr Puri said: "The board is now united and the much reported turnoil of the past months ended today."

He owns 29.8 per cent of Delaney through his private industrial group Melton Medes. The group first bought a 25 per cent stake last December. Mr Puri took over as non-execu-tive chairman and Melton's

potts also joined the board.

But executive members of the board criticised Mr Puri after he tried to take a stronger executive role than they had anticipated. Although he stepped down as chairman in May, he and Mr Philpotts remained on the board.

Mr Puri said yesterday; "I am a non-executive chairman but I intend to make sure that I have the same input at Dela-

I have the same input at Dela-ney as I have at Maiton Delaney has also appointed another non-executive director.

Mr Barry Wild.

The damaging boardroom rift reappeared at the end of last month after Delaney's interim profits had slipped from £1,52m to £329,000 before

tax. Mr Fuller-Shapcott commented on the board divisions in his statement, and Mr Philpotts took the unusual step of criticising the chairman's comments in a press release.

According to Mr Puri, those developments made the other directors question where the company was going.

Mr Puri said Mr Stuart Clarke would stay on as finance director and he hoped Mr Ray Apted, managing director, who supported the statement, would also continue.

In June, Mr Puri announced

In June. Mr Puri announced he wished to sell his Delaney stake at a premium to the then market price of 107p, but the shares have since slipped to close yesterday down 7p at 43p. He said yesterday that the holding was not for sale.

Engineering boost to C&S profit

By Nigel Clark

A SUBSTANTIAL increase in profits by its engineering com-panies and a first contribution from the property division heined Central & Sheerwood report interim pre-tax profits much improved at £1.3m, against £163,000. Mr Robert Maxwell, chair-

man, said that good progress had been made towards the restoration of the company's fortunes. The company still could not pay a dividend but reserves were becoming stronger and one would be recom-mended as soon as possible.

AL Dunn, which makes alu-minium castings and compo-

nents, continued the strong development seen at the end of the previous year with higher sales accompanied by lower-than-budgeted overheads. Coventry Apex, castings machinist, was affected by

start-up costs on a new con-tract but these had been over-In the present period that

engineering companies contin-ued to trade satisfactorily but Mr Maxwell warned that they were dependent on the contin-uation of a high level of activ-ity in the motor industry. In the six month to July 1 turnover rose 54 per cent to £25.64m (£16.63m). After tax this time of £275,000 earnings per share were 0.261p (0.065p).

Disney in deal with

THE WALT DISNEY Company has appointed Pickwick Group, a distributor of records, cassettes and videos, to handle the sales, marketing and distribution of all its children's books and audio tapes in the UK.

Pickwick is hoping the

Collection" is to comprise not only old favourites such as "The Jungle Book" but also the soundtrack of "Oliver &

which has already become the biggest grossing such film in the USA, is due to be launched in December in

the products will stand at in excess of one million units per annum, retalling at an average

The company is 21.2 per cent owned by Pearson, the print-ing, banking and industrial

GPG sales requested By Andrew Bolger

Probe into

A GROUP of small shareholders has asked the Trade & Industry Secretary to investigate the break-up of GPG, the rump of the Guinness Peat Group, which has sold its three main subsidiaries to their separate managements.

The GPG Minority Shareholders Gronp, which represents 160 individuals, is unhappy about the disposals, which were approved by 72 per cent of the holders at a special meeting in September.

The three businesses are

Fenchurch, GPG'a insurance broking arm; Forstmann-Leff Associates, its New York-based

fund management company; and cMCC, the holding company for US operations.

Most criticism has centred on the sale of Forsimann-Leff to its managers for \$25m (216m) cash plus an element of deferred payment and a small deferred payment and a small stake in the buy-out. GPG paid \$91m for the business in 1986.

Vickers holding

ing and luxury car group.

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AC up 33% in spite of interest rise

DESPITE SHARP rises in both operating expenses and interest charges AC Holdings was able to raise its profits for the 1988-89 year from £1.1m to £1.46m at the pre-tax level The year to end-June saw

net assets per 5p share surge to 62p (38p) and earnings push ahead to 5.3p (5.1p). The direc-tors expected continued growth in both areas. A final dividend of 1p makes a total of 2p (0.833p adjusted). Turnover of the enlarged group, which has interests in

curities, hotels and property,

totalled £29.35m (£16.17m). Operating expenses for the period rose by £2m to £5.5m and interest charges by £1.48m to £1.54m. Tax accounted for £427,115 (£430,110), minorities for £237,119 (£1,456) and extraordi-

nary debits for £1.68m (nil). Second half pushes GC Flooring to loss

GC Flooring & Furnishing, the USM-quoted flooring supplier and fitter, had a "most disap-pointing second six months", with the company dropping from pre-tax profits of \$214,000 to losses of \$478,000 in the year to June 30.

Mr Lionel Mendoza, chairman, said the losses incurred. as a result of problems on certain contracts and from difficulties following the Dunlop Semtex acquisition meant that the first-half profits were more than matched by the losses of

the second. However turnover rose to £13.03m (£8.96m) and, after a tax credit of £129,000 (£83,000 charge), losses worked through at 3.7p (1.39p earnings) per share. The directors said that, as a sign of their confidence in

were recommending a same-again 1.1p final payment for a maintained 2p total.

Higher interest eats into Delvn profits

resulting from the purchase of new aculpment left taxable profits at Delyn Packaging for the six months to July 30 lower at £305,000, against £349,000. Mr Paul Norman, chairman, said that there had been difficulties in the early part of the year but these had been resolved. Turnover was £1m higher at

£5.09m for operating profit of £520,000 (£391,000). The interest charge was £215,000 (£42,000). After tax of £112,000 (£136,000), earnings per share fell to 2.42p The interim dividend is

Tanjong Tin rises sharply

Profits before tax of Tanjong Tin Dredging rose from £5,814 to £70,481 from a turnover £76,881 higher at £91,025 for the six months ended June 30.

An extraordinary charge of £29,948 represented legal fees incurred for the proposed acquisition of assets which did not materialise and for general legal advice including the reconvening of the annual meeting for 1989.

British Assets nav 13.5% ahead

British Assets Trust had a net asset value per share of 96.3p at September 30, an increase of 13.5 per cent over the 84.8p a

A final quarterly dividend of 0.875p (0.7p) is recommended, for a total of 3.3p (2.7p). That exceeds the 3.25p forecast made at the time of the £150m equities index unsecured loan stock

Since the proceeds from that had been invested in the UK, shareholders' exposure had not the company's prospects, they materially changed over the year, the directors said.

Total incoms amounted to \$28.1m (£24.05m). Net revenue for the year worked through at £13.86m (£11.75m) after tax of 25.07m (£4.73m) for earnings Higher intarest payments per share of 3.56p (3.01p).

Aran Energy falls I£0.33m into the red Losses of 12333,000 (£299,000) at the pre-tax level were incurred by Aran Energy, Dublin-based oil and gas exploration and distribution company, in the first half of 1989. Restated profits of

I£474,000 were achieved last The poor result was dua mainly to adverse trading conditions in oil distribution in Ireland, directors said. Also, certain non-recurrent costs had arisen from implementation of a programme of rationalisation and reorganisation.



Turnover fell slightly to IE11.4m (IE11.54m) but operating losses were I£222,000 (profit I£127,000). In addition an excep tional I£258,000 (nil) dabit related to the redundancy costs incurred as part of the rationalisation programme.
A tax credit of 12527,000 (Itlm) left earnings per 20p share at 0.16p (0.89p).

Walker Greenbank sales accrue £14.6m

Walker Greenbank, tha onetime mini-conglomerate, is to sell its automatic car washing subsidiary Wilcomatic to a company headed by manage-ment for £145m in cash. The group, now concentrating on its wallcoverings business, will also sell McKendrick & Wane, its carpet cutting subsidiary, to management for £50,000. Other subaldiaries are under review. Losses rise

Walker made £3.27m before tax in the six months to July 29, up 11 per cent on £2.95m in the equivalent period. Tha results were held back by the increased cost of borrowings which pushed up interest charges to £1.49m, against £583,000.

Mr Nicholas Brown, Walk er's chairman and chief execu tive, said the sale of the two subsidiaries would reduce gearing to below 20 per cent. Walker will receive film in cash for Wilcomatic and a further £3.5m to repay inter-com-

Turnover in the first half was up from £53.7m to £65.4m, earnings per chare rose from 2.38p to 2.43p and the company maintained its interim divi-

Analysts are forecasting pre-tax profits of some £3m for the full year. in 1988, Walker's profits were more than halved to £3.08m after Alkar, a super-market shelving company, incurred a loss of £8.9m.

This result was published in Craig & Rose rises 11% to £40.000

Craig & Rose, the manufac-turer of paint and varnish and supplier of all types of wallcoverings, lifted pre-tax profits 11 per cent from 236,000 to £40,000 in the first six months of 1989.

(£2.49m) and earnings to 7.45p (6.75p) per share. The interim dividend is maintained at 2p.

The company said that export sales and profitability continued to be affected by exchange currency fluctuations, while domestic trade continued to develop. The costs of raw materials were continn-

ing to rise and, due to severe

Turnover rose to £2.89m

competition, were only partly covered by increases in selling

at Maxiprint Losses at Maxiprint, the USM-quoted maker of photographic equipment, rose from \$225,000 to \$229,000 pre-tax for the year to end May 1989. Turn-

over declined by £37,000 to £96,000. Losses per share were 2.54p, against 2.16p.
The directors said the results

reflected both the position pre-viously forecast and the decision to write off all prior years' development costs.

They added that the next 12 months, particularly the sec-ond six, should show a signifi-cant turnround and that first indications from the promotional programme were encour-

Lanca hit by interest costs

£100,000 rise in interest charges together with the need to carry higher stocks to service customers' anticipated sales in the second six months

sees in the second six months cut profits of Lanca by £212,000 to £410,000 pre-tax for the opening half of the 1989 year.

Some loss of volume was experienced by both the fashion wear and handbag divisions but character merchandisa between agencies and dise showed sales gains and was beginning to benefit from the newly-acquired Hayiax The second half was being

affected by continuing high interest rates and conditions in the high street, with the impor-tant Christmas trade running later than in recent years.
First half burnover declined to £6.67m (£6.97m). Basic earnings emerged at 1.94p (2.62p) but the interim dividend is slightly ahead at £26.5m. The company is aiming to become Europe's number one maker of plastic clothes hangers and the plastics division raised trading profit by 16 per cent to £1.26m. The second half being maintained at 0.75p in view of the directors outlook

Pickwick

in the UK.

recent publicity associated with the flotation of EuroDisneyland, the theme parkbeing built outside Paris, will have underpinned the popularity of theseproducts.

Tha "Disney Read-Along ompany". This animated feature,

It is anticipated that sales of

price of £3. Last month Pickwick announced interim pre-tax profits 30 per cent np at 2965,000.

Brierley confirms

IEP Sacurities, the UK investment vehicle of New Zealand businessman Sir Ron Brierley, has confirmed that it has a 15.18 per cent holding in Vickers, the defence, engineer

conglomerate which owns the Financial Times. Interest charges slow FIH

By Jane Fuller

FERGUSON Industrial bution from the nawly-ac-Holdings, the printing, packag-ing and plastics group, saw its pre-tax profits increase only half as fast as its turnover in the six months to August 31. With turnover up by 14.7 per cent to £73.36m, an interest charge of £1.31m (£840,000) held the pre-tax profit increase to

7.7 per cent at £6.29m.

7.7 per cent at \$6.24m.

Printing, the largest division with sales of \$32.42m (£26.09m) enjoyed a 40 per cent increase in trading profit to £3.29m.

Mr Denis Vernon, chairman, said the US operation had improved both volumes and margins at the end of a twomargins at the end of a twoyear price war, which had seen

two companies go bust. There had also been exchange rate

eains. Less impressive were the results of the packaging divi-sion. Much of the products adhesive labels, for example went to UK chain stores, said Mr Vernon, and these had pul-led in their borns. Food scares, such as the one linked to con-venience food heated in microwave ovens, had also contin-ued to hite. Trading profit fell £424,000 to £2.95m on turnover

should see a significant contri-

quired Beuque, in south-east France.

The most dramatic profit increase came from the timest division, publishing, where the company specialises in town guides. Thanks to new technology and improved management it contributed £223,000 (£90,000)_ Mr Vernon stressed Ferguson's improved geographical spread; the US accounted for 31 per cent of turnover and 23 per cent of trading profit, with the figures for the UK down to 56

per cent and 67 per cent respec-tively. Next year the Continen-tal arm would be strengthened by an expansion of Pendy Plas-tics' West German factory. The company also had a foothold In Hong Kong.

Half year earnings emerged ip higher at 12.1p and the interm dividend is being lifted from 3.75p to 4.25p.

• COMMENT

Without a further increase in interest rates, Ferguson may be right in saying that this summer was a low point in the UK as retailers destocked, packaged food turned sour and clothes became sluggish in the hot weather. A seasonal npturn and underlying strength in niche markets



should help pre-tax profit to reach a modified expectation of £13m. It is just as well that margins in the US are on the up, because in the UK it will be difficult to pass on cost increases, say in raw materials or wages, to retailers competing more fiercely on price ing more fiercely on price. Without acquisitions or disposals, gearing should fall from 70 per cent to 60 per cent. As the sense for diversifying overseas is indisputable, a UK sale would serve two purposes. A prospective multiple of nearly nine reflects the thinking that nine reflects the thinking that Ferguson is better placed than many to withstand hard times.



MARKET STATISTICS

ECONOMIC DIARY

TDDAY: African National Congress holds rally in Soweto. TDMORRDW: Clocks go back one hour. Intermal meeting of the European Community agriculture council in Beaume (until October 31). Spanish general elections. MDNDAY: London sterling certificates of deposit (September). Bill lurnover atalistics (September). Sterling commercial paper. Monetary statistics, including bank and bullding society balance sheets (September). The ensrgy and social affairs councils of the European Community meet in Luxembourg. British Aerospace and Rolls-Royce workers due to strike in support of engineering industry disputa. Council of Menagerial and Professional Staffs holds 0rst annual conterence in London. Piper Alphe disaster inquiry resumes. TUESDAY: US leading indicators (September), commerce. US single family home sales (Septembar), commerce. Financial Times holds "City" seminar at Plaisterers Hall in the City of London. Special session of the Hungarlan parliament in Budapest to decide on the final suspension of Nagymaros dem being built in conjunction with Austria and Crechoslovakia, Marks and Spencer Interim figures, NatWest/British Franchisar Association publish annual survey Mr Harri Holkeri, Prime Minister of Finlend, visits London (until November 3).

statement following meetin chaired by Mr Norman Fowle Employment Secretary, Gosban the Soviet state bank, is to introduce a new "special rate" for the Rusaian curroncy which will havolve a 90 per cent devaluation the new rate is to apply to a personal transactions for boil Soviet standing consultative conmission begins 38th seasion! Geneva to review anti-bellish missile treaty. Mr Guy Coems Belgian Defence Minister, vist Budapest for talks aimed at creating better understanding betwee NATO and the Warsaw Pisst an promoting Eest-West dielogu NATO and the Warsaw Pact an promoting Eest-West dielogu (until November 4). Reed International Interim figures.

THURSDAY: UK official reserve (October). Housing etarts an completions (September). Capital Issues and redemptions (October). US productivity and cost (third quarter preliminary). Franco-German summit in Bont Two-day European conference of debt and conservation in Zurich Building Employers Confederationskes statement on autumn stat of trade anquiry.

of trade anquiry. FRIDAY: Water privatisation pr

December 25, 1988 decrease for we	BANI	K RETURN				
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ABIL_ITIES 15,020,286,468 44,667,328 4 15,020,286,468 4 15,020,286,488 4 15	ISSUE DEPARTMENT		-			
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9 Motors (18)		341.78	-2.4 -2.8	11.6	5.07	10.09	9.97	350.19	355.63		288.91	378.65	22/9	258,24	3 <u>/1</u> 3 /1	411.42 13/18/8 1881.53 18/8 /8*	7 19.91 6 /1 /75
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29 Letsore (34)		461.03	-35	8.93	3.93	13.80	37,26	1514.01	1549,44	1538.09	1410.12	1845,77	1 /9	1346.22	3 /1 3 /1	1845.77 8 /9 /8	54.83 9 /1 /75
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43 Conglomerates (13)	1	479.22	-4.3	11.5	5.80	10.19		1545.69	1578.83	1576.34	1270.03	1819,46	11/6	1254.94	5 /1	1819.46 11/8 /81 2554.69 12/7 /81	975.19 10/11/87
45 Transport (13) 47 Telephone Networks	12).1	057.81 032.52	-1.8 -4.2	10.8	4.78	11.78	22.38	1077.27	1071.04	2113.75 2077.78	984.89	1195.04	12/7 25/9	1002.43	4 Д 3 Д	1274.14 9 /6 /87	517.92 38/11/84
48 Miscellaneous (26)		744.36	- <u>2.4</u>	9,97	_	11.52		1769.12				1273.71	3 /9		3 <u>/1</u>	2087.06 11/7 /85 1273.71 5 /9 /85	
51 011 & Gas (15)		066.24	-2.4	10.4	_	12.61	87.58						13/9		\$ /O	2458.68 16/7 /8	
59 300 SHARE INDEX		157.08	-2.2	10.7	4.53	11.57	32.85	1183.39	1260.40	1193.91	_	1355.48	5 /9		3 /1	1369.88 16/7 /8	
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65 Insurance (Life) (8).		205.18	-2.2	-	5.27	- 1	47.56	1229.96	1249.24	1234.54	992.73	1263.23	5 /10	933.96	5 <u>/</u> 1	1285.72 9 /10/87	7 44.88 2 /1 /75
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1 Up to 5 years	116.7		43 11		•	10.0	1 6	Coupons		5 years 5 years		10.03	9.82			0.28 14/6 0.81 14/6	9.21 0 /2 8.85 17/2
2 5-15 years	129.9		14 13	12.84	_	12.0	. 4 . 5 1	High		5 years 5 years		11.17	10.93	10.03		1.44 14/6	10.13 8 /2 9.41 8 /2
3 Over 15 years	139.4 157.5		31 15		_	13.4	91	Coupons	2	5 years		9.83	9.63	9.12	, ,	9.99 14/6	8.99 27/1
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6 Up to 5 years	138.5 137.5		30 13 38 13	8.98 IR 04	_	3.2		inflation inflation		Ove	5 yrs.	3,65 2,90	3.62 2.77	1.62	1 3	3.84 5 /6 3.30 2 /6	3.41 21/8 1.91 21/8
8 All stocks	137.4			7.99	_	3.1	14	Inflation	rate 10%	Ove	5yrs.	3.47	3,44		_	3.67 5 /6	5.23 21/8
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10 Preference	86.7	_	_	7.38	_	5.0	17	Preferenc		25 yes		11,77	11.63		-	.83 13/10 3.65 27/10	10.66 27/2
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FT-ACTUARIES SHARE INDICES

FINANCIAL ADVISER

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The Financial Times proposes to publish this survey on:

20th November 1989

For a full editorial synopsis and advertisement details, please contact:

> Alison Barnard on 01-873 4148

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FINANCIAL TIMES



					€ross;	Yield	
High I	Low	Corspany	Prior	Chesige	(a) (b)	%	P/E
343	295	Acs. Bett. tad. Ordinary	336	0	10.3	3.1	91
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123	79		79	-1	5.9	7.5	7.0
110		Bresnhill Com. Pref	205	0	170	10.5	-
204		Brambill 84 % New C.C.R.P	204	0	11.0	10.6	-
		CCL Group Ordinary	290	0	14.7	3.1	3.6
176		CCL Gross 11% Conv.Pref	171	0	14.7	8.6	-
225		Carbo Pic (SE)	220	0	7.4	3.5	124
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158	98		157	0	10.0	6.4	5.7
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300		Torday & Cartiste	298	0	9.3	3.1	10.4
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122	81	Trevian Holdings (USNI)	81	-5	2.7	3.4	8.7
	106	Ualstret Europe Com Pref	150ml	0	9.3	6.2	
395		Veterloary Drug Co. Ltd	366	0	22.0	6.0	9.4
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SIP information



Società Italiana per l'Esercizio delle Telecomunicazioni μ.a.

Registered Office in Turin
Share capital Lit. 3,400,000,000 fully peld
Registered at Turin Court, n. 131/17 in the Register of Companies
Fiscal Code no. 00580600013

NOTICE CONVENING THE GENERAL SHAREHOLDERS' MEETING

Extraordinary and Ordinary General Meetings

The shareholders are hereby notified that the extraordinary and ordinary general Meetings shall be held in the Conference Room of the Company Headquarters in Via Bertola 34, Turin at 10 a.m. on November 14, 1989 and, if necessary, for a second call on the following day at the same time and place, to discuss and resolve upon the following:

AGENDA

- 1) Proposal to split ordinary and preference shares of L.2,000 nominal value into two L.1,000 nominal value shares of the
- 2) Proposal to increase Shareholders' Equity as follows:
- A) from L 3,400 to L 4,550 billion, thus in the amount of L 1,250 billion, as follows: L 340 billion as e free bonus issue of 340 million new shares of L 1,000 nominal value each, of which 220 million ordina-
- L 910 billion as a rights issue of 910 million ordinary shares of L 1,000 nominal value each for current shareholders and
- convertible debentureholders at i 1,300 each (hence at i 300 above par value); B) by a further maximum amount of L 20 billion as an employee issue of 20 million ordinary shares to Company perma-
- nent employees at L 1,300 each (L 300 above par value).
- 3) Proposal to further increase Shareholders' Equity, as per Article 2420 bis, pares 2 and 4 of the Italian Civil Code, by a maximum amount of L 24 billion, exclusively as SIP 7% convertible debentures.
- 4) Resolutions on the aforementioned operations and amendment to Article 5 of the Company Statute.

Resolution as per Art. 2384, No. 2 of the Italian Civil Code.

The shareholders shall have the right to participate in the aforementioned meetings provided that, at least live days prior to the date set for the meeting, they have deposited their share certificates at the Company's Registered Office in Via San Dalmazzo 15, Turin, at the Roma Headquarters in Via Flaminia 189 or at any of the duly authorized SIP offices or et tha Monte Tholi S.p.A., in the case of chares administered by the said Company. Outside Italy, shares may be deposited at branches of duly authorized Financial Institutions.

For the Board of Directors MICHELE GIANNOTTA

Reports by the Board of Directors and Statutory Auditors - filed at the Company's Registered Office in Turin (Via San Dalmaz-zo, 15) and at the Rome Headquarters (Via Flaminia, 189) - shall be forwarded directly to the Shareholders habitually attending the Shareholders' Meeting and to those who should request them, with timely notice, by telephoning: Turin (011)55141 or Ro-

The reports shall be available to the shareholders at the eforementioned Turin and Rome Offices as from the morning of No-

Gruppo IRI-STET

Improved computer sales lift NEC

By Stefan Wagstyl in Tokyo

NEC, one of Japan's largest electronics groups, yesterday reported a 13.6 per cent increase in interim profits to Y47.2bn (\$333m), as increasing sales of computers and semiconductors offset a decline in sales of telecommunications

equipment. Sales in the six months to the end of September rose 7.4 per cent to Y1,255bn. Turnover in computers rose 11 per cent to Y555bn, and in electronic

devices (semiconductors) by 12.7 per cent to Y283.8bn. Domestic demand for computers, including personal computers, was strong. Semiconductors sold well at home and abroad.

In telecommunications, sales dropped 0.6 per cent to Y371hn due to a decline in demand for transmission equipment from Nippon Telegraph & Telephone after a surge last year. However, orders for exchanges and for radio telephones, a fastgrowing market, improved. In consumer appliances, sales rose a modest 3.7 per cent

to 145bn, after a large drop last year, but demand remained sluggish, said the company.

For the year to March 1990, Y2,740bn, a 7.8 per cent increase, and pre-tax profits of Y130bn, up 6 per cent. NEC was reporting parent company

· Sharp, the Japanese electronics group, increased sales in the six months to the end of September by 8.9 per cent to Y518bn, due to a strong increase in sales of information equipment and semiconduc-

Pre-tax profits rose 37 per cent to Y33.5bn, thanks to a 130 per cent leap in operating profits to Y22.9bn. This cut the company's reliance on profits from Zaitech, or financial

investment. For the year, the company expects profits of Y70bn and sales of Y1,060bn. Nikon, the Japanese maker of cameras and semiconductor manufacturing equipment, reported a 71 per cent increase in pre-tax profits to Y12.1bu for the parent company for the six months to the end of Septem-

Sales were 20 per cent higher, at Y122bn. For the full year, Nikon forecasts sales of Y240bn and profits of Y22bn. The company is profiting from the investment surge in Japa-nase samicouductor fact-

Acquisitive Orkem to buy Bostik for \$345m

By William Dawkins in Paris

ORKEM, the French state-owned chemicals producer, revealed yesterday that it is to pay \$345m for Bostik, the US adhesives and sealants

group.
This is the second hig takeover planned by the French company this week, following its announcement that it is

considering a full hid for Coates Brothers, the British inks and resins producer in which it already holds a 40.6 per cent stake.

The two deals would cost Orkem – formerly known as CDF Chimie – around £370m (\$592m) at Coates' present share price. That compares share price. That compares with Orkem's borrowings of FFr2.7im (\$482m), 50 per cent of its shareholders' funds. However, the French company would make no further comment on the financing of the Bostik acquisition.

Bostik acquisition.

Bostik, a subsidiary of Black and Decker, the US electrical tools group, has annual sales of \$270m and is a world producer of adhesives. It specialises in industrial adhesives for the automative approach. for the automotive, aerospace and double glazing industries and has "good growth pros-pects," said an Orkem state-ment. Orkem's turnover last

year was FFr21.5bn. The deal fitted "perfectly with the strategic orientation of Orkem for the last two years, seeking tha develop-ment of a performance chemi-cals portfolio. . . around the inks, paints, coatings and adhesive markets," said

This is the latest French overseas acquisition in recent weeks that includes Rhône-Poulenc's FFr8.47bn takeover of RT2's speciality chemicals business and of GAF-SSC, a US speciality chemicals producer.

Bayernwerk raises stake in paper group By David Goodhart in Bonn

BAYERNWERE, the West German ntility part-owned by fellow utility Viag and part by the Bavarian Government, has increased its stake in the Bavarian paper group, PWA, from 25 per cent to 46 per

cent.
Feldmühle, the Düsseldorfpaper group, is also reported
to have bought the 50 per cent of French paper group Pape-terie Beghin Corbehem that it did not own. Bayernwerk's move is fur-

ther evidence of the trend of the German utilities to use good cash flow to diversify sector. into mainly energy-intensive industries such as chemicals

US MARKETS

Wheat closed unchanged after Thursdays heavy decline. The

Montedison to buy minor holdings in drugs unit

By John Wyles in Rome

MONTEDISON, the Italian mont will be liquidated.

Chemicals and pharmacenticals Thus, any public share. company controlled by Mr Raul Gardini's Ferruzzi group, announced yesterday that it had reached a \$450m agreement to acquire the minority shareholdings of its pharma-ceuticals subsidiary, Erba-

Minority shareholders are to receive \$37 a share in cash, instead of the \$35 with a \$2 warrant on Montedison stock offered by Montedison at the beginning of August. Since the regulations of the Dutch Antilles, where Erbamont is incorporated, do not provide for merger transactions, the tender offer to minority share-holders will be followed by the sale of Erbamont assets to

Montedison, after which Krba-

Thus, any public shareholders whose shares are not teners whose shares are not tendered in the public offer will receive a liquidating payment of \$37 per share. The agreement negotiated with representatives of minority holders also provides for an additional, prorata payment if, within tha next 18 months, Montedison disposes of Erbamont's business at a price above \$37 a share.

Montedison added yesterday

share.
Montedison added yesterday
that it had also agreed in principle to settle outstanding
shareholder lawsuits relating
to its ownership of Erbamont.
Mr Giuseppe Garofano, vice
president of Montedison, said
last night that the Italian com-

pany wanted full control so as to have greater flexibility in

was not negotiating to sell Erbamont and that it intended to develop Erbamont's speci-alisation in drugs for the circulatory and nervous systems.
He added that parallel negotiations on Montedison's \$502m
offer for the 19 per cent of offer for the 19 per cent of Himont stock in minority hands were at deadlock because of a disagreement over price. Montedison had offered \$47 a share plus a \$2 warrant on its stock, but minority shareholders in the polypropylene manufacturer "wanted more," said Mr Garofano. "We shall have to think deeply about what we are going to about what we are going to

developing Erbamont's busi-ness and to optimise financial returns for Montedison share-holders. He said his company

Shiseido sales hit by tax changes

By Stefan Wagstyl

SHISEIDO, Japan's largest cosmetics maker, yesterday reported parent company sales of Y160bn (\$1.13bn) and pre-tax profits of Y13.5bn for the six months to the end of Septem-

The company said the value of sales was hit by the abolition of luxury taxes and the introduction in April of a con-

sumption tax. No direct comparison with previous periods could be made because the company is changing its year-end from November to March.

For the full year to the end of March, Shiseido forecasts sales of Y318bn and pre-tax profits of Y27bn. This com-pares with sales of Y341bn and profits of Y24.7bn in the year to November 1988

Demand for building boosts Tokyo Steel

to November 1988.

PRE-TAX profits of Tokyo Steel, one of Japan's top elec-tric furnace steel makers, rose 8 per cent to Y20.4bn (\$144m) in the six months to September 30 on sales up 13.9 per cent to Y99.9bn, writes Ian Rodger. Steel product sales rose 5.7

per cent to 1.86m tonnes, with a buoyant construction sector causing strong demand.

Net income rose 5.1 per cent to Y10.2bn or Y91.89 per share. The company is forecasting a record pre-tax profit of Y42bn for the full year.

Sov sauce maker up AJINOMOTO, Japan's largest food processor and the world's

biggest soy sauce maker, yesterday reported a modest 3.7 per cent increase in interim pre-tax profits to Y16.5bn (\$116m) on sales of Y229bn. writes Stefan Wagstyl

The group reported parent company results for the six months to September. It forecast full year sales of Y480bn up 4.4 per cent, and profits up 4 per cent to Y34.5bn.

Munich Re in discount issue

By Halg Simonian in Frankfurt

MUNCHENER Ruckversicherung (Munich Re), the world's biggest reinsnrance company, is raising almost DM163m (\$89m) via a one-for-10 deep discount rights issna,

creating 650,000 new shares. The company, which will report its figures for 1988/89 at the end of next week, also con-firmed an unchanged dividend

of DM10 a share. The new issue continues the company's policy of rewarding shareholders via a mixture of periodic dividend rises or deep discount rights issues. In this case, shareholders will be able

to buy new shares at DM250 each, against a closing price of DM2,195 on Thursday.

Prospects for the 1989/90 year remained good, according to the group. Despite a heavier burden from large losses such as natural disasters, it expects to pay an unchanged dividend,

Meanwhile, the company was cautious about the likely effect of this month's Californian earthquake on its 1989/90 earnings. "From today's viewpoint, we can't yet give any serious figures," said Mr Rai-ner Küppers, a Munich Re offi-

"Naturally, Munich Re which has a substantial US business, will have to pay." However, tha greatest uncertainty concerns the likely size

of claims under policies cover-ing industrial fire and loss of profits following fire, he

In contrast to claims for property damage, the size of such payouts will depend on how long businesses remain out of action, he said.

"In the 1906 San Francisco earthquake we paid out the thau substantial sum of DM11m," said Mr Kuppers. The group's prompt payment then, in comparison to certain counterparts, helped to create the foundations of its big US business today, and led to the expression "Thieme [the name of the company's then chief expertises is moreous" he said executive is money," he said.

Mining companies plan links

By Chris Sherwall in Sydney

BHP and CRA, two of Australia's largest mining com-panies, yesterday announced separate agreements with foreign partners for ambitious new resource projects.

• BHP-Utah, the group's minerals arm, plans a joint venture with Eikem of Norway that

involves BHP's ferro-alloy smelter in Tasmania and Elkem's manganese ferro-alloy smelter near Montreal, Can-BHP mines manganese at

Groote Eylandt in the Gulf of Carpentaria. Although it processes some in Tasmania, most of the manganese is exported, some to Elkem. The two com-panies are also related through furnace design and supply.

Under their plan, which is subject to agreement and government approvals, the companies aim to co-ordinate product

mix and material distribution at the smelters to economise and improve technology. BHP said the venture would strengthen the Tasmanian

smelter's position and provide a stronger, stable base for its manganese exports. Elkem is

plants in Norway, Iceland and the US as well as Canada. · CRA, an affiliate of RTZ of the UK, announced that Mitsubishi Development of Japan was to acquire 40 per cent of its Howick open-cut steaming

The mine was among the interests CRA bought from BP a week ago in a US\$275m deal. CRA and Mitsubishi have a 60-40 partnership in the Oak-lands steaming coal deposit in New South Wales, CRA will manage the Howick operation, the world's largest producer of manganese ferro alloys, with tonnes of coal a year.

S African austerity moves hit Romatex

ROMATEX, the South African textiles and packaging com-pany, suffered from the Government's austerity measures and strikes at large customers' plants in the year to September 30. Turnover grew by less than the inflation rate, while profits before tax dropped.

The year's turnover was R746m (\$283m) against R674m in the previous year. Operating profit before tax and interest was R83.6m against R86.4m, and the pre-tax profit fell to

R76.7m from R84.0m. Sales were affected by motor industry strikes which cut demand for carpeting used in car trims. The rope and twine interests have been sold and there are plans to sell the packaging interests. These sales are being accompanied by rational-

1726-90 1717-8

467-8 456-8.5

The (\$ per tonne)

isation which will allow Roma tex to concentrate on the car-pet sector, in which it has almost 60 per cent of the mar-

The directors believe the rationalisation will increase earnings this financial year. Earnings dropped to 2143 cents a share in the past year from 217.2 cents but the dividend rises to 78 cents from 75 cents.

1782-4 1740-2

470-1 459.5-60

1719/1700

9075/9075

7680 7680/7860

7700-50 7740-50

LIN bolsters defences in fight against McCaw bid By Roderick Oram in New York

LIN BROADCASTING, owner of some of the most valuable US cellular telephone licences, stepped up its defences yesterday against a hostile takeover offer from McCaw Cellular Communications, the largest US player by number of cus-

LAN is to pay \$1.9bn to buy out Metromedia, its main part-ner in one of New York City's two cellular licences. Yester-day it also sweetened the terms for its shareholders of its pro-posed pooling of cellular tele-phone assets with BellSouth, the largest US regional telephone company.

LIN has been trying for years to buy Metromedia's 46 per cent stake to give it 91-per-cent ownership of the New York licence. Its opportunity

came three weeks ago when Metromedia agreed to sell the stake to McCaw, triggering LIN's right of first refusal. The manoeuvrings are part of the indistry-wide scramble to consolidate licence territories and thus create more efficient service areas.

Under the improved agreement with BellSouth, LIN will offer its shareholders a special cash dividend of \$42 a share, up from the \$20 first offered. LIN will still spin off its television stations to share. television stations to shareholders.

Under the revised terms public shareholders owning the remaining 50 per cent won stronger safeguards to ensure they will benefit from the rapidly escalating value of cellular telephone assets.

Hugo hits Aetna income

By Martin Dickson in New York

AETNA LIFE & Casualty, the largest quoted US insurance company, yesterday reported a 22 per cent drop in third quar-ter net income, due mainly to the impact of last month's Hurricane Hugo.

The group said net income totalled \$183m ar \$1.63 a share, compared to \$236m or \$2.07, in the same period of last

Mr James Lynn, the chair man, said a continuing improvement in group insurance results had been more. than offset by reduced income in the property and casualty

In commercial and re-insurance business, this reflected a continued depression in the property-casualty business and substantially higher catastro-

phe losses.

Hurricane Hugo, which devastated South Carolina, accounted for some \$36m of a \$50m cut in net income from catastrophes. Last year catas-trophe losses were \$5m. Actna the impact of this month's San Francisco carthquake on fourti-quarter figures. It added that pour results in

motor and home ance reflected high loss costs. The third-quarter figures included net realised capital gains of \$48m, against \$45m in the same period of 1998. For the nine months, net income was \$526m or \$4.67 a share, compared to \$504m or \$4.41 last

Restructure puts Unisys in the red

By Martin Dickson

UNISYS, the computer systems manufacturer, yesterday reported a third-quarter net loss of \$648.2m resulting from its large restructuring programme, the weakness of the computer market and contract losses in its defence husiness.

The company had announced that it would be cutting its workforce by about 8,000 and consolidating its s, out and consolidating his manufacturing capacity to slash its costs by about \$500m. But until yesterday it had not spelt out the price of the cut-

spelt out the price of the cuchack.

The third-quarter loss compares to net income of \$151m in the same period of last year, while the fully diluted loss per share of \$4.25 compared to curvings of 72 cents in 1988.

Revenues for the quarter earnings of 72 cents in 1988.

Revenues for the quarter totalled \$2.35hm, up 4 per cent, with strong computer business growth being partly offset by a decline in defence business.

The company said the pre-tax cost of its restructuring

programme was about \$230m.
But it also amnounced costs of \$150m for estimated losses on fixed price defence contracts and litigation liabilities.

Mr Michael Blumenthal drman of Unisys, said the company's restructuring would enhance profitability and cash flow in 1990. "With a lower break-even point, aiming to_earn adequate returns even if revenue growth remains sluggish and the pricing environment remains difficult."

For the pine months, the pei for the name months, the net loss was \$673.3m, or \$4.75 a share, against net income of \$462.6m, or \$2.22 a share in the same period of 1988.

and paper. **WORLD COMMODITIES PRICES**

1742-4

1717-8

457-0

9825-60

7660-75

1530-5

Kerb close Open Interest

Ring turnover 28,350 tonne

32,961 lots

12.326 lot

5,551 lots

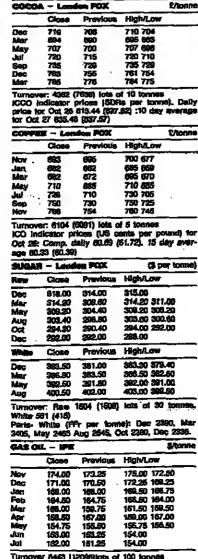
rer 14,27\$ tons

15.358 lots

Ring turnover 1,525 tonne

WEERLY PRICE CHANGES	Latest prices	Change on weak		High 1989	1989
Gold per troy oz.	\$374	+8	\$411.25	\$412.25	\$356.5
Silver Per troy oz	327.30p	+7.85	362,05p	358.85p	313.90p
Aluminium 99.7% (cash)	\$1775	-90	\$2475	\$2610	\$1664
Copper Grade A (cash)	£1729	-105	£1840.5	£1982.5	£1474
Lead(cash)	£467.5	-19.5	€385.5	£487.5	£337
Nickel (cash)	\$10250.0	-187.5	\$11900	\$19350	\$10287.5
Zinc (cash)	\$1522.5	-52.5	\$1565	52107.5	\$1485
Tin (cash)	\$7660.0	-177.5	£4152.5	\$10760	\$7460
Cocoa Futures (Mar) Coffee Futures (Jan)	£694 £682	-22	2774	£947	2690 2658
Sugar (LDP Raw)	\$345.S	+2	£1113 \$272	£1270 \$363.6	\$235.8
Barley Futures (Jan)	£109.7	-9.8 -0.6	£108	£113.50	£100.85
Wheat Futures (Jan)	£111.4	-0.2	£111.45	£121.85	£104.7
Cotton Outlook A Index	82.20c	+0.55	58.35c	84.95c	61.35c
Wool (64s Super)	598p	. 4,22	657p	710a	5850
Rubber (Spot)	56.50p	+0.75	57p	84p	55p
Oil (Brent Blend)	\$19.025	-0.250	\$12.65	\$21.35	\$18.125
Per tonne unless otherwise state	nd tilpoposed	n-nence/kn. c	cente Ib.		

SPOT NA	RKETS			
Crude off (per barrel F	OE)		+ or -
Dubai Brent Sten W.T.L (1 pt	nd m estj		F15.75-5,90v F18.95-9,10q F19.62-0.65v	+ 0.45 + 0.45 + + 0.17
Off production (NWE production)	apt delivery			+ or-
Premium C Gas Oil Heavy Fue Naphtha	Sasolina	_	5191-193 5179-180 599-100 5154-158	+1
Other				+ or -
Gold (per Silver (per Platinum () Palladium	troy oz) troy oz) per troy oz) (per troy oz		5374 521c 5482.85 \$135.9	+5 +9 +3.25 +0.3
Copper US Lead (US Nickel Irea	e markeń		51785 120 ⁵ 2-128c \$0.5c 186c	-10 +2 ³ 4 -10
Tin (Kusia Tin (New) Zinc (US P	Lumpur ma fork) vime Weste	urket) 2 vm) 8	20.22r 352.5c 304.c	-0,33 -5.0
Pige (live	ad weight)† weight)†	5	113.22p 165.91p 18.24p	+0.25° +10.6° -2.24°
LONGOO DA	ily sugar (n ily sugar (v yle expert (rhite) (price (345.6v 387.5v 334.5	-1.4 -1.0 +3.5
Barley (En			2110.5q 2124.25 2123.25	-0.25 + 1.00
Rubber (ar			58.5p 59.5p 50.5p 225.5m	+1.0 +1.0 +1.0
Coconut of Palm Oil () Copra (Phi	i (Philippine Malayslan)§ lippines)§	36)5 S	480.0y 1320q 1310q 170q	-2.5
Soyabeana Cotton "A" Wooltops (index 64s Superi	· ·	12.2c 186p	+0.2
G-centario. 1-jan/Mar. FebtMeat (* change ! market - \$4	uniess other- r-ringgit/k v-Nov/Dec Commission rom a west CIF Rotters lalaysign ce	g. y-O z. w-D i avers k ago. iam. «	ct/Nov. x-(loc. q-Nov. ige tatatock \$London \$Bullion	2-jan/
CRUDE O	L - IPE			\$/barrel
	Close F	Jevion	 _	
Dec Jan Feb	18,04 1 17.89 1	5.17 7.89 7.75	18.39 18 18.07 17 17.80 17	191
M <i>ar</i> IPE Index		7.70 8.49	17.85	



Ceah 5 mont	1540 hs 1527		1540-60 1530-35	1535/10
Zinc (S	per tonn	e)		
Cash	1520		1480-90	15250
0 mont	hs 1492	-8	1470-2	1500/14
LIME C		rate:		-
SPOT:	1.0000		months: 1.5	N/B
POTAT	OES - 1			2/tonne
-	Close	Previou		
Nov Feb	123.5 156.0	123,5 157.0	121.5	
Apr	198.5	200.0	200,5 196.	Q
May	226.5	227.5	60 torono	
COMMON	H 110 (0	() (CA) (4	40 tonnes.	
SOYAL	HAN N	AL - BF	K	E/tònne
	Close	Previou	High/Low	~
Dec	145.50	144.20	145.00	
Feb	147.50 144.50	148.00 143.50	146.50 143.50	
Apr		tota of 20		
union	ar su çav)		Milia?	
PRESCI	IT PUTU	NES - 6	\$10/10	dex point
	Close	Previous	Hightow	
Cet	1635	1635		
Nov	1698	1683	1700 1687	
Jen Att	1699 1700	1690	1688 1688 1700 1686	
Jül	1430 1540	1688 1425	1700 1889 1430 1429	
Oct BF1	1540 1636	1530 1627	1530	
	1030 r 961 (50			
r cirring ve	u oos tor			
Charle) — <u>1175</u>			Stonne
Wheat	Clase	Previous	High/Low	
Nov	106.70	108.35	106.75 108	70
Jan	111.40	111.30	111.55 111 115.60 115 118.70 118	.50
Mer May	115.20 118.50	115.30 118.45	115,60 115	.30
-jrits	120,25	120.10	120,30	,-0
			• :	
Barley	Close	Previous	High/Low	
Nov	106.65 109.70	105.85	106.85	
Jan Mar	112.70	109.70 112.75	199.70	
			Barley 30 [3	30 .
Turnove	r lats of	100 tonne	5.	~
Plas -	de de la constante de la const			
-743			ach Settlem	IN DAG
=	Close	Previous	High/Low	
Oct Nov	133.5 132.0	133.0 132.0	131.5 130.5	
Feb	117.5	118.0	117.5 117.5	5
Apr Jun	117.5 117.5	118.5 117.5	117.5 116.1 116.5	1
Aug	112.5	113.0	112.0	
Turnenet	37 1145	inte of 9.5	HOD bear	

5/1620 0/1480	1523-6 1495-500	1490	-500	3,240	iots	
	d months:	1.5320		e usond	is: 1,5	70
nne	TOMBOK BI		A FREET			
-	Gold (Yes az			egulv	alent	_
_	Close	373 4 - 374		363-2		-
	Opening	371-37112		38 2 -2		
	Morning fix	371.55		35.83		
_	Afternoon tix Day's high	373-4-374		26.047		
	Day's low	371-371-2				
nitë.						_
	Coins	5 price		adny4	elent	
_	Mapleleaf	363-386		42-245		
	Britannia US Esgle	383-388 383-388	2	42-245 42-245		
_	Angel	382-367		42-245		
•	Krugerrand	373-376		26-236		
_	New Sov.	88-89		84-58		
thic thic	Oid Sov. Noble Plat	55-69 468.65-496	14 3	54,-56 ¹ 09.95-8	2	
_				WB.33,PG	17.00	
	Silver fix	p/fine oz		S cts (quiv	
	Spot	327.30		17.00		
	3 months 6 months	340.00 352.30	5	20, 15		
	12 months	375.95		36,85 80,25		
-	TRADED OPT	1OHts				-
	Alterninken (9	9.7%)	Calls	_	Puts	_
ine.	Strike price \$			Nov	Jen	_
	1700	80	82	2	42	-
	1800	13	45	34	23	
	1900	1	18	121	154	
	Copper (Grad	e A)	Calls		Turba	
	2900 -	120	155	ś	77	_
_	2700.	50	104	23 '	123	
_	2800	10	66	82	184 .	
	Codee	. Jan	Mar	Jan	Mar	
	850	57	81	27	39	
	700 750	35 19	56	5 5	84	
			<u> 37</u>	<u> 89</u>	95	
~ 9	Cocos	Dec	Mar	Des	Mar	_
	650 700	70	71	10	27	
	750 750	38 20	45 - 26	28	51	٠.
			- 20	60-	82	_ '
	Brent Crude	Dec	Jan	Dec	.jen	_
	1900	50	66	12	62	_
	1850	20		ar.		

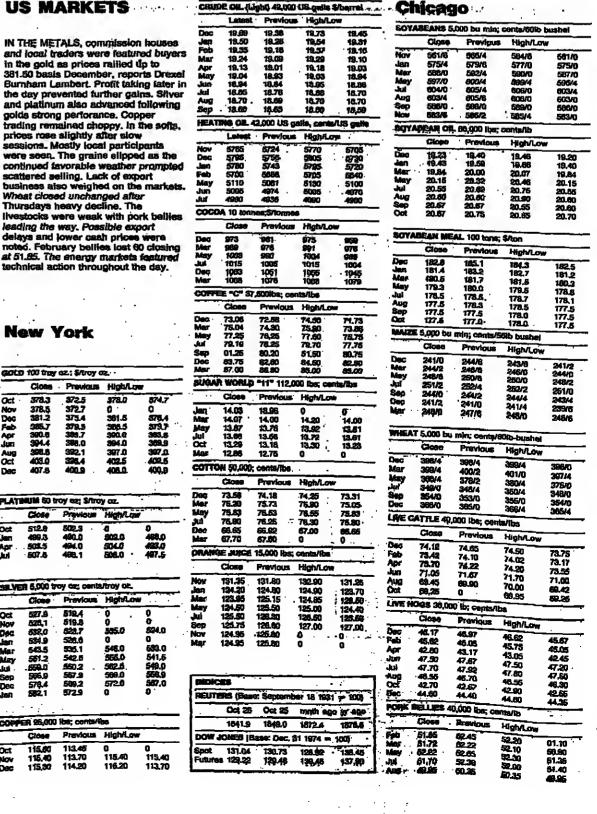
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s: 1,5(0 6 .	at 51 tech	nical ac	energy i
ilent 17 4			
	N	ew 1	fork
lent	GOLI	100 tray	qz.; \$/troy (
		Closs	Previous
2 2 14.65	Oct Nov Dec Fab Apr Jun Aug Oct Dec	378.5 378.5 381.2 385.7 390.0 394.4 398.8 405.0 407.8	372.5 372.7 375.4 379.5 388.7 388.0 392.1 395.4 400.9
•	PLATI	NUM 50 to	oy ez; \$/tro
		Close	Provious
Jen 42	Oct Jen Apr Jul	512.8 499.3 503.5 507.5	502.3 490.0 494.0 498.1
93 154			oy Cat cents
total	35.45	Close	Previous
77 123 184	Oct Nov Dec	527.B 525.1 532.0	519.4 519.8 523.7
Mar	Jan Mar	584.9 543.5	526.6 535.1
39 64 95	Jul Sep	561.2 .659.0 566.9 578.4	542.5 550.2 557.9 589.2
Mar	1₽U Dec	582.1	5729
27 51 82	COPP	ER 26,600 Close	libit; cents/l
Jen	Oct	115,60	113.45
62	Nov	115,40 115,30	113.70 114.20

High/Lau

High/Low

High/Low



Total last year

13.25 1.45 11.5 2.8 2 4.3 14.8 1,85 12 6.95

3.35

Classing Price E

939 -1 939 -1 939 -1 9459 -2 950 -2 950 -2 950 -2 950 -1 950 -1 950 -1 1039 -1 1039 -1 1039 -1

LONDON MARKETS

A Control of the Cont FINANCIAL TIMES SATURDAY OCTOBER 28 1989 CURRENCIES, MONEY AND CAPITAL MARKETS FOREIGN EXCHANGES FINANCIAL FUTURES AND OPTIONS Weak pound drags down dollar STERLING FELL below DM2.90 and closed towards the bottom of the day's range in London after the Bank of England made its position on interest rates clear. In providing its afternoon help to the London money markets that hank base rates are to be held at 15 per cent, at least for the time being. The pound continued the side started on Thursday in New York when it was announced the Mr Nigel Lawson, the UK Chancellor, had resigned. Dealers said the pound's fall would have been even worse but for the fact that the market was generally short of sterling before the res. Bank of England made its position on interest rates clear. In providing its afternoon help to the London money market been said the banks and discount houses would have been more than willing to sell paper but offered to lend money to the discount houses would have been said the pound's fall would have been despendent of the fact the market was generally short of sterling before the res. Bank of England made its position on interest rates clear. In providing its afternoon help to the London money market benk said decided. Sterling closed 8 pfennigs lower than the previous London count houses would have been more than willing to sell paper but offered to lend money to the discount houses and stated in advance that the rate would be 15 per cent. The authorities index fell 1.9, to close at 82.2 the lowest level since the index was rebased at the end of last year. The dollar was weak, dragged down against many European currencies, as funds market but would have indicated higher base rates. Rates on the wholesals. Pats-6 Dar; 0-11 0-18 0-33 0-57 1-27 2-09 2-62 The pound continued the slide started on Thursday in New York when it was announced the Mr Nigel Lawson, the UK Chancellor, had resigned. Dealers said the pound's fall would have been even worse but for the fact that the market was generally short of sterling before the resignation and was tempted to rear. The dollar was weal dragged down against man European currencies, as fund moved from sterling into the Dearth Lower share prices of Wall Street also undermine confidence. At the Londo close the dollar had fallen to DM1.8305 from DM1.8305; iSFr1.6005 from SFr1.6080; and to FFr6.2150 from FFr6.240 but rose to Y141.95 from Y141.65. The dollar's index rost to 69.6 from 69.5. indicated higher base rates. Rates on the wholesale money market showed no reaction to the Bank's signal however, and continued to point towards a base rate of at least 15% per cant. This suggests the market remains unconvinced that a rise can he avoided, prompting comments that a rise to 17 per cent may be required to stop the rot. On the other hand, it was questioned ignation and was tempted to take profits. The Bank of England and the US Federal Reserve intervened to support the pound, but probably not on a very large scale. Sterling was slightly above DM2.91 in early Loodon trading, falling below DM2.90 in the afternoon as the DM2.90 in the afternoon as the S IN NEW YORK DOLLAR SPOT- FORWARD AGAINST THE DOLLAR Previous Close Gq. 27 Latest One month % Three months Cite STERLING INDEX Oct.27 Previous Company hall carry julys brought, the end of Condon trading. UK and include an quoted in (IS carrance, Fore-pressions and discipulate apply to the US dollar and not to the individual correspy. Beiging rate is for convert fracts, Plausaciel Trags. 31,45-38,55. POUND SPOT- FORWARD AGAINST THE POUND **CURRENCY RATES** Cq. 27 Close 1.5760 1.5770 1.8615 1.8625 3.25 3.26 61.50 6460 11.284 11.294 1.0860 1.0870 2.894 2.885 247.60 248.60 12.500 1.084 10.844 10.854 9.794 9.804 10.844 10.854 9.794 9.804 2.254 2.244 20.31 20.35 2.514 2.554 2.514 2.554 0.91-0.08cm 0.55-0.43cm 32-3cm 32-3cm 32-3cm 32-3cm 32-3cm 32-3cm 32-3cm 42-3cm | Speed | Spee 2.66-2.62pm 1.54-1.62pm 53-54.0pm 9.880pm 12-111-pps 1.00-9.50pm 44-86466 43-25pm 113-115-13pm 113-115-13pm 113-115-13pm 113-115-13pm 113-115-13pm 113-115-13pm 113-115-13pm 1.41723 1.11273 1.30969 14.4388 43.0349 7.99653 2.05021 2.31426 6.96125 1505.47 156.676 7.67618 130.891 1.79817 1.79817 1.79817 1.79817 1.772194 Commercial rates taken towards the end of Lendon tradion. Beinten rate is too 50.65-60.75 Stomantia Ingressed delian 4.97-4.922ppg 12 Months 8.98-8.80com # Sterling quoted in terms of SDR and ECU.per £. † European Contents sion Calculations, * All SDR rates are for Gct.26

EMS EUROPEAN CURRENCY UNIT RATES

#1.5424 #1.6419 #1.3019 #1.3719 #1.5619 #1.6669 #4.0815

3.255 2121 2.064 1345

3.522 1.230

1535

1.758 1145 1 5.376 3503 3.059

MONEY MARKETS

UK clearing beak been louding rate

15 per cent trom October 5

Nervous

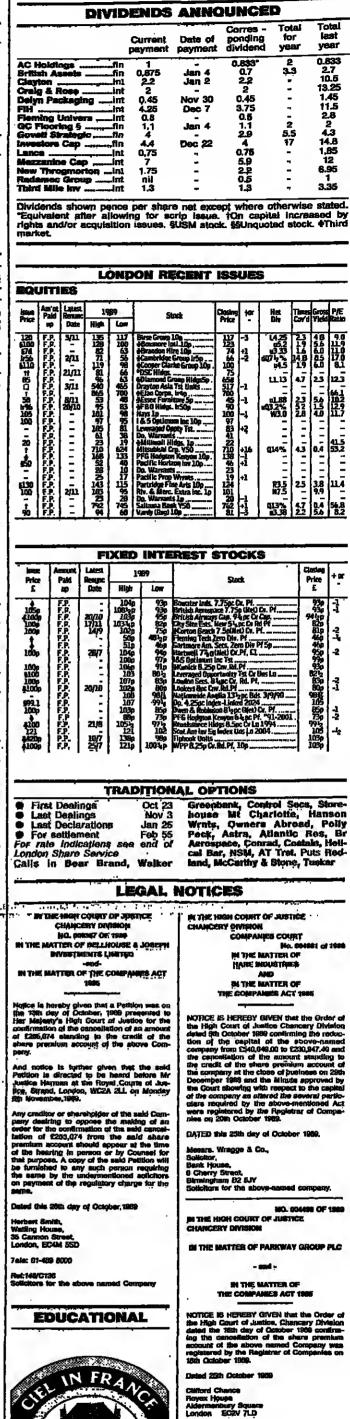
trading

2.575 1

0.773

1.362

na Lon-	Enthested volume total, Calls 9082 Pats 2245 Province day's approint, Calls 19637 Pats 14974	Estimated volume total, Calls 52 Pass 50 Prysions they's open let, Calls 3305 Pass 2035	Enthmated volume total, Calls 496, Pags 205 Previous day's oppa lot. Calls 27526 Puts 21155
765, and 5 from	LUFFE E/S OPTIMAL E25,686 (costs per \$1)	LIFTE EURODOLLAR RYTHUS Sip polic of 190%	LIFFE SHOET STEELING DETRINGS 6500,060 paints of 180%
5 from Fr9,7975	Strike Calti-millements Puts-settlements	Strike Calis-settlements Pots-settlements Price Dec. Mar Dec Mar	Strike Calin-pettlements Pues-settlements Prize Det Mar Dur Mar 2015 056 152 028 017
pound's at 88.2, he index	Surfex Calif-reliferents Pyts-aggiterents For the Policy Rev Doc No. Doc No. California Pyts 120 17.75 17.75 17.75 17.90 17.75	Prize Dec Mar Dec Mar 1912 153 153 155 157 157 157 157 157 157 157 157 157	Prize Dat: Mar Dec Mar 8475 0.56 1.52 0.28 0.17 8500 0.40 1.32 0.37 0.22 8525 0.29 1.11 0.51 0.26 0.26 0.19 0.49 0.64 0.34 8573 0.14 0.78 0.26 0.49 0.64 0.34 8573 0.14 0.78 0.26 0.49 0.53 1.06 0.23 8625 0.06 0.51 1.28 0.66
d of last	Dec	925 0.05 0.19 0.82 0.62 9275 0.08 0.12 1.06 9.80	מים מים בים דיבו מים כים
weak,	Estimated volume fotal, Calls 50 Pots 0 Provious pay's open let. Calls 21,1 Pags 10	Estimated volume fotal, Calls O Puts O Provious day's open int. Calls 4002 Puts 2780	Estimaned volume Lotal, Calls 8391, Purs 5808 Province day's open las. Galla 64,352 Pars 33000
as funds into the	LONDON (LIFFE)	THREE MONTH EMBONAGE 104 Jan priots of 200%	POLINII-S (FOREIGN EXCHANGE)
rices on ermined London	50,000 52mb of 130%	Clear High Low Prev.	Sept 1-set 3-sets 6-sets 12-sets 1.5765 1.5676 1.5501 1.5271 1.6672
allen to	Dec 92-97 92-93 93-97 95-15 94-31 148		
080; and r6.2400,	Eszimupoj volume 29764 (16239) Propiens day's open (nt. 31925 (31546)	Estimated volume 4774 (5468) Previous 447's open lat. 230'94 (23621)	Latest 185th Com Prev. Doc 15614 15642 15560 15640 May 15388 15400 15346 15406 Jun 15388
5 from dex rose	7-10 YEAR 9% NOTICHAL WILT COR,000 32nd; of 150%	FT-SE 100 DONES	HE THE ASIME ANNIES AV.
	Das: Close High Low Pres. Mary Mary Mary	525 per toll index point	US THE ASURY ROUGHS & %, \$180,040 Stank of 100%. Close High Low Pres.
HLAR	Standard wokung 0 600 Presign day's open jet. 0 600	Com High Low Prev. Drc. 2083.0 2105.0 2080.0 2150.0 Mar. 2134.0 2144.0 2128.0 2194.0 Jun. 2157.0 2183.5 2183.5 2234.0	Close High Los Pres. Dec. 96-29 97-14 96-25 99-13 mar 99-00 99-10 99-09 99-10 Jon
82	Previous (say's open les. 0 (0) 446. HOT/OHAL RESIDANT CAY'T. MONTO SACENS, GOO 10696, of 149%.	Estimated volume 7820 442079 Pregions day's open lat. 30199 (30340)	Estimated volume 2885 (2740) Presions day's open int. 6308 (81,16)
3.40 3.57 0.25	Closa High Low Free.		
280	-Jun 93.40 93.51	PHILADELPHIA SE 6/5 OPTIMIS ESI,250 (conts per SI)	
670 1357 0250 0250 0250 0250 0250 0250 0250 02	Estimated volume 11302 (16021) Propious day's open (m. 30041 (37992)	Strike Colfs Price Roy Dec Jan 1,500 7,40 7,51 7,63 1,525 5,03 5,48 5,73	Pets Star Nov Dec Jag Mar 7.90 0.06 0.84 1.56 3.02 6.16 0.29 1.48 2.27 4.06
317	67, Marianal Long Tells Jabanese Covt. 3000 Yildes 1000s of 1007,	Price Row Dec Jan 1500 7.40 7.51 7.63 1525 5.03 5.46 5.73 1590 3.01 3.79 4.15 1.573 1.60 2.79 2.72 1.600 0.73 1.71 2.08 1.625 0.33 1.60 1.79 1.600 0.07 0.56 0.59	\$\frac{\text{Mar}}{\text{Nor}} \text{Nor} \text{Dec} \text{Dec} \text{Jest} \text{Mar} \\ \text{7.90} \text{0.06} \text{0.84} \text{0.84} \text{1.56} \text{3.02} \\ \text{4.16} \text{0.27} \text{1.68} \text{2.27} \text{4.06} \\ \text{4.71} \text{0.83} \text{2.31} \text{3.33} \text{3.53} \\ \text{3.56} \text{4.69} \text{6.78} \\ \text{2.55} \text{3.94} \text{5.14} \text{6.28} \\ \text{2.65} \text{3.94} \text{5.14} \\ \text{2.01} \text{5.35} \text{6.97} \text{0.08} \\ \text{1.01} \text{5.35} \text{5.97} \text{0.08} \\ \text{1.01} \text{5.05} \text{5.14} \\ \text{6.7} \text{0.01} \text{1.005} \text{12.08}
0.26	Des 104.11 104.24 104.11 104.35 168 104.13 104.20 104.16 104.27	1.640 8.07 0.56 8.89	200 535 6.97 8.08 10.17 1.46 7.61 9.01 10.05 12.08
ncy. Forward or comercible	Estimated volume #69 (366) Presions day's open jos. 952 (996)	Previous day's open lot: Calls 414,697 Pass 279,935 Previous day's volumes Calls 14,100 Pots 11,043 (A	il currencies
UND	THREE MONTH STREETING ESOC, 600 points of 200%	CHICAGO	
9,	Clase High Low Prev.	U.S. THEASURY DOUBLE (CST) BY. SING-REF SING OF LOT'S	JAPANESE YEA (MIND)
3.20 87 7.14	See 87.40 87.82 87.85 87.47	Latest High Low Prev. Dat: 99-12 99-15 99-07 99-06	Y22.5ai 5 par Y280 Linest Hilph Line Prev. Dec 0.7039 0.7040 0.7020 0.7057 Mar 0.7071 0.7073 0.7053 0.7050
4.10 4.10 7.38	Out 87.80 87.77 87.53 87.80 Mar 87.99 87.97 87.78 87.78 87.99 hm 88.00 87.99 87.79 88.01 Sap 88.03 88.03 88.03	Mar 99-10 99-12 99-04 99-03 Jun 99-02 99-02 99-02 98-27 Sec 98-18	Mar 0,7071 0,7073 0,7053 0,7090 Jun - 0,7090 0,7124
4.70 3.20 7.14 88. 4.10 3.43 7.20 4.10 7.20 4.10 7.20 4.10 8.20 7.20 8.20 8.20 8.20 8.20 8.20 8.20 8.20 8	Est, Vol. Liec. figs. not shown) 105862 (15047) Provides day's open int. 116773 (116608)	Bee 98-16 98-16 98-16 98-07 May 98-01 Jun 97-25 Sep 97-10	DEUTSCHE WARK (IMM) DN(125,000 \$ per DM
	TIMEE MONTH ERROCALLAR SLA DOOG & 18974	Dec 97-10 Mar 97-03	Dec 0.5437 0.5448 0.5410 0.5438
9.65 7.13 7.63 4.78	Dec: 91.71 91.79 91.70 91.76 1		Mar 0.5439 0.5439 0.5415 0.5440 Jun 0.5442
underst thank	Sep 91.90 91.94 91.95 91.92 Dec 91.73 91.75	U.S. The Assert and L.S. (DALM) Sing people of 100%	THREE MONTH EUROPALAR (DAM)
5	Mar 91.75 91.77 Jun 91.70 91.72 Sap 91.64 91.68	Dec 92.91 92.96 92.90 92.96 Mar 93.26 93.91 93.26 93.31 Jun 93.30 93.30 93.26 93.30 Sep 93.30 93.30 93.26 93.30	latest High Lour Print
Hrergence	Est., Vol., Gue., figs., not shown) 4656 (7302) Previous day's open let., 40424 (39753)	Jun 99.30 93.30 93.26 93.30 Sep 93.19	Seg 91.94 91.95 91.93 91.93
1.5424	FT QUIDE TO		Sen 41.94 41.95 91.95 91.95 Dec 91.73 91.74 91.75 91.74 Mar 91.75 91.78 91.75 91.77 Jun 91.69 91.71 91.69 91.71 Sep 97.66 91.66 91.64 91.66
±1.6419 ±1.3019 ±1.3719 ±1.5019	WORLD		
1.6689 4.0815	CURRENCIES Every Tuesday	SIGNAS FRANC THOM SPY 125,000 S pro SFY	STANDARD & PUGES 500 ENDEX 5500 times locks Latest High Com Pres.
	Every Tuesday In the FT	Dec 0,6213 9,6224 0,6183 0,6206 Mar 0,6225 0,6230 0,6188 0,6213 Jun 0,6235 0,6200 0,6222	Dec 340.20 340.55 338.60 339.55 Mar 343.20 344.40 342.80 343.45 Jun 347.90 348.50 347.00 348.15
		0.6244	To Fig. Both and set the last the fig.
One: Year		NDON TRADED OPTIO	
	CALLS POTS Date Jan Age Jul Jan Age Jul	### CALLS PATS	Applies Nov Jan May New Jan May Ather Nat. 140 4 11 14 5 6 8
知识	Alld Lyons 420 50 60 83 12 17 23 (*417) 460 27 42 58 30 35 49	Storchers; 110 13 17 19 6 8 ³ 2 11 C1161 120 7 11 13 11 14 16	C141 160 15 3 4 20 20 21
144-145 11-16-17-17-18-18-18-18-18-18-18-18-18-18-18-18-18-	Brit, Alrunys 180 19 25 29 5 8 11 (*190) 200 70 14 18 17 18 22 220 3 7 11 32 32 35	Trafeight 300 28 40 - 10 12 - (*318) 317 20 - 18 330 - 23 33 - 27 30	Option Nov Jan Apr Hou Jan Apr
77 - 74 74 - 75 62 - 62	Brit Com 110 16 22 23 10 12 17	330 - 23 33 - 27 30 Bud.Bisonits 300 51 4	ASDA Grp. 140 11 16 23 8 11 14 (**138) 160 4½ 10 15 23 24 28 (**stion to the control of the cont
84-84	130 9 13 14 22 23 27 Seekthik Bohm 560 - 63 78 - 18 21	. (°337) 330 31 48 48 15 19 21 360 15 23 33 28 34 57	Gateway 220 1 1 12
days' notice.	(521) 541 23 - 31 - 45 43	Hollow 600 56½ 76½ 92 184 264 30½ (*628) 650 25½ 44½ 61½ 40½ 46½ 49½ 700 10 26½ 39½ 79 82½ 83½	Amstrad 45 10 14 16 4 5 8
	(P250) 260 13 22 27 20 22 25 260 6 14 19 54 55 56	Oltraguar 280 45 - 5 - 7 (7310) 300 32 40 50 11 15 18	Parcings 420 48 64 67 4 9 14
BFL	8.P. 250 33 - 4 - 7 (7286) 280 10 27 23 10 15 16	330 15 25 35 27 33 37	(*449) 460 22 57 65 22 30 33 Blue Circle 200 16 26 26 9 13 18





IN THE MATTER OF THE COMPANIES ACT 1986 NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division dated the 18th day of October 1909 confirm-tog the cancellation of the share premium account of the above named Company was registered by the Registers of Companies on 16th October 1809. PERSONAL

AUTHORS

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MOTOR CARS

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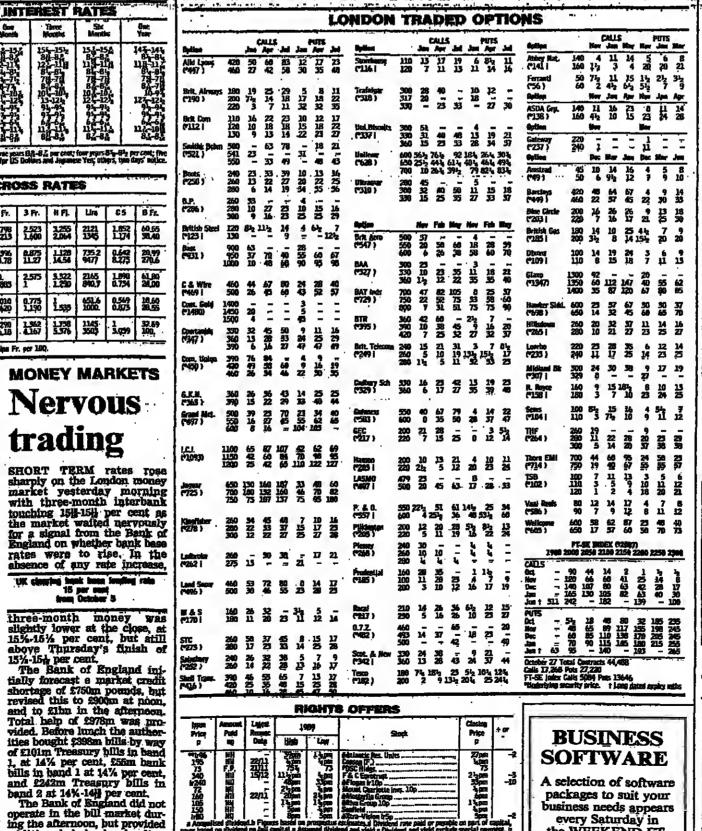
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WORLD STOCK MARKETS

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WORLD STOCK MARKETS

AMERICA

Programme trading wave routs an attempt to rally

SUSTAINED anxiety about the outlook for economic growth and corporate profits pushed stocks into retreat yesterday for the fifth day in a row, writes James Buchan writes in

An unconvincing attempt to stage a rally was easily routed yesterday morning by a brutal wave of programme trading and by mid-session the market was as disheartened and ragged as at any time during the track. At 130 pm. the Dow ragged as at any time during the week. At 1.30 pm, the Dow Jones Industrial Average was down 22.95 at 2,590.78.

The atock market fear infected the foreign exchange and credit markets, which in turn further unsettled stocks. The dollar weakened against the D-Mark and the yen, trad-ing at about DM1.829 and Y141.5 at mid-session as against DM1.841 and Y142.13 in late trading in New York on

The dollar was stronger against aterling, at \$1.579 to the pound at mid-session, but there were reports of strong intervention by the Pederal Reserve to relieve the pressure on the pound since the resignation on Thursday of the Chan-cellor of the Exchequer, Mr Migel Lawson The bond market was

unnerved by reports that a Japanese hrokerage house which had been buying heavily was reducing its holdings. Half-way through the day, the Treasury long bond was off almost half a point at 102%, where it yielded 7.920.

Stocks fell at the outset, with investors troubled by reports

on Thursday of rising manufac-turing inventories, and dis-mayed by poor profits from the

Analysts had expected the market to try to make a stand at 2,600 on the Dow. There was a flicker of a rally but inves-tors continued to sell and soon ors commined to sell and soon after 11 am a heavy wave of computerised stock salea, linked to arbitrage with the futures market, sent the Dow turnbling and drove buyers away. With traditional investors are of the market tors ont of the market, programme trading has become dominant and this is causing

growing resentment at some Wall Street firms.

In the sell-off, the market continued to dump the stocks that did best in the recent rally. Merck fell \$1% to \$75%.

Philip Morris, another star, was down \$% at \$41%, while Coca-Cola lost \$1 to \$70% and Procter & Gamble shed \$1% to

Merrill Lynch was the most active stock, falling \$% to \$28, apparently on fears that the stock market's volatility would

hurt retail brokerage activity. Chevron, which had reported stagnant earnings earlier in the week and lost ground recovered \$% to \$65%. But Uni sys, which yesterday reported a loss in the third quarter after restructuring charges, fell \$% to \$16%, and Tambrands, having reported lower earnings late on Thursday, fell \$1% to

IN SPITE of investor interest in advancing gold stocks, stocks eased at midday. Investors were moving towards gold issues following recent market volatility, currency fluctua-tions, junk bond iltters and continued fears of third-world

The gold index rose 231.34 to 6,483.10, eclipsing its 1989 high of 6,470.9. The composite index lost 8.2 to 3,878.1 on volume of

Growing investment flows head for Europe

Wall Street crash once every 50 years or so is one thing; two mini-crashes on the Dow Jones within two weeks in October is

quite another matter.
Short-termism is becoming ridiculous: Where does the international fund manager put his mounting cash pile, and what nowadays, is the long view?

The weight-of-money argu-

ment is getting serious, even in Britain where funds can now earn 15 per cent on the street.
Many pension funds have had
a two or three-year contributions holiday, but investment cash is again building up.

The cash flow from UK insurance and pension funds rebounded strongly in the second quarter of this year to £7.6hn (\$12.2hn) from £5.7hn in the previous three months the previous three months. There is no reason to suppose the story will be any different when official figures for the

third quarter come through.
But where is the home for all
this money — and much more
besides — from the US and
Japan? Anecdotal evidence and logical conjecture from County NatWest, WoodMac and Pru-dential-Bache, among others, suggest that at least film a month is now going from Britain into overseas equities; the estimate from Japan is

\$2bn. And there is more. US investors in foreign equities are now back in force. They were net sellers of more

ASIA PACIFIC

PITY THE poor fund than \$4bn in overseas shares in a four-month binge immediately after the October 1987 a four-month binge immediately after the October 1987 crash.

in the second quarter of this year, however, American net purchases of foreign equities, as calculated by the US Trea-sury, amounted to \$4.4m, or more than in any previous full year. US investors have made average net purchases of more than \$1bn each month this year, on the basis of market

As the piles of institutional cash continue to mount, Dominick Coyle asks whether the Continent can take the strain

estimates and official returns for the first half

That is a lot of beavy invest-ment money, and the signs are that much of it is being concentrated in Europe. Japan is no longer the flavour of the month, although some US funds are moving back cau-tiously after a sell-off in the second quarter.

Foreigners were net sellers of Japanese stocks last week for the fourth successive week. British funds have also been cutting back on Japan while making selective investments in the smaller Pacific markets.

moving back into US equities,

in volume terms with 68.9m shares, gaining Y20 to Y1.240.

Selling in interest rate-sensi-

tive and high-tech issues

pushed the OSE average in Osaka down 142.65 to 36,337.45.

Volume rose to 106m from 76m

on Thursday. Nintendo, the

G3 02 to date 18.4 2.7 14.5 41.7 North America 10.7 Eur ex UK 17.9 Nordic 8.1 Pacific ex Jon Euro-Pacific 23.7 23.6 16.0 7.2 7.9

7.9 13.2

14.5

having been net sellers in the first few months of this year, and so are the British.

World ax LIK

World ex USA

World ex Jpn

Americans are back invest-ing in the UK, almost with a vengeance; three-quarters of their new overseas equity investment in the second quarter - or some \$3.3hn - came to Britain, and the rest went to continental Enrope to join competing investment flows from Britain and Japan and, increasingly, from Sweden since the lifting of foreign exchange controls at the begin-ning of this year.

Can Europe take it all? At mid-year Europe, including tha UK and as measured by the FT-Actuaries World Index, was nearly 20 per cent ahead in

sterling terms.

By the middle of this week, again in sterling and on a total return basis, it was showing a gain of 25.7 per cent on the year, although (not surprisingly, given recent market gyrations) in negative territory during October

The quarter-by-quarter rate of sterling return in Europe has been slipping, however, as the table shows. Could it be that many fund managers, par-ticularly those in the US, have almost missed the European boat, just as many of them -and most others - missed the Japanese boat last year?

There is another question: how long can the prudent UK and US fund manager remain overweight in continental

At the same time, the cash is building up. The WM Com-pany's latest quarterly sample of pension funds indicates a cash holding of almost 7 per cent, and anecdotal evidence suggests that many funds are sitting on as much as 10 per

Asset allocation is becoming

quite an issue. The hig UK pension funds already have 60 per cent and more of their domestic exposure in UK equities and, like their US colleagues, have a largely neutral to negative control or Joseph

tive stance on Japan.

Given the relative shortage of US equities resulting from leveraged buyout deals and companies buying in their own stock, combined with hopes of lower public sector deficits, where will long-term funds go? The gilts market in Britain has already contracted sharply, so there is not too much left other than Europe, with 1992 and all that, and some of the smaller

Pacific markets. Smaller in many instances can mean either investment restrictions or liquidity difficulties, or both; getting out in a hurry can be difficult — as the Americans found in trying to exit Europe after the '87 Crash, even in the important French and German markets.

Today's fund managers need strong nerves, but market set-backs can be huying opportuni-ties. The question now is where. The big money in recent months seems to have been moving to West Germany (an underperformer in the sec-ond quarter) and the D-Mark bloc, the main emphasis being

on asset-backed stocks.

A strong currency has helped, but there must always be a risk that too much investment money chasing up share prices will produce quite ridiculous ratings, and not only in

EUROPE

Nervous balance between risks and opportunities

THE resignation of Mr Nigel Lawson, the UK Chancellor, added to the uncertainty facing continental markets, but yesterday's losses of between 1 and 3 per cent were due more to weakness on Wall Street, writes Our Markets Staff.

Nervousness about currency markets - with both the pound and the dollar weak and the dangers of another global setback for equities won the day yesterday. Some bro-kers were quick to point to a silver lining in Mr Lawson's departure. As County NatWest WoodMac put it: "The prospects for sterling make continental markets more attractive

than ever for the UK investor." But others are questioning whether there is much prog-ress to be made on the Conti-nent between now and the end of the year. "The main European economies are performing strongly but, quite apart from the impact of market uncertainty, the returns currently available in bond and money markets offer very attractive alternatives to equity invest-

ment," says Kleinwort Benson. PARIS took a battering at the end of an irresolute week. Corporate developments have kept trading alive and driven some stocks up sharply, bot they have failed to offset the depressing influences from

across the Atlantic. The OMF 50 index fell steadily all day yesterday to close 14.3 points, or 2.9 per cent lower - a loss of 5.9 per cent on the week. The CAC 40 real time index closed just off its lows at 1,768.27, down 47.72 on the day and 5 per cent on the week. Turnover yesterday was put at about FFr2.5bn, after

FFr2.3bn on Thursday. Peugeot was sold down heavily before publication of a 12 per cent rise in first half profits, well below analysts' estimates of about 35 per cent. The share price plunged to FFr769 before steadying to

volume of 286,000 shares. Thomson-CSF dropped FFr14.60 to FFr179.90 after

NATIONAL AND REGIONAL MARKETS

Figures in parenths

per grouping

Mexico (13)

Spain (43)..... Sweden (35).... Switzerland (64)

Mexico (13)
Nethariand (43)
New Zealand (19)
Norway (24)
Singapore (26)
South Africa (60)

The World Index (2407)_

Thursday's news of its share swap with Crédit Lyonnais; the news disappointed those speculating on something more exciting, while others were concerned to see majority control of Thomson's finance division passing out of its hands.

FRANKFURT combined outside pressures with a sharp decline in the September growth rata of engineering orders. The indices retreated again: the FAZ shed 10.87 to 619.15 at mid-session, and the DAX 19.69 to 1,462.93 at the close, for falls on the week of 3.3 and 4 per cent respectively. Volume was again a little higher, at DM3.6bn against DM3.5bn. Notable declines included Krupp, of DM14 or 7 per cent on the day to DM186 in a narrow market; Porsche,

with nothing to add to the basic takeover rumour. MILAN held for the session, the Comit index ending just 0.39 lower at 643.68, down 3 per cent on the week. However, it was going weaker after hours, as demonstrated by Montedison, up 1.16 to 11.958 at the official close and down 1.23

down DM15 to DM790, on the weakening of the dollar, and Schering, DM26.50 down at

DM729, a speculative stock

from there to L1.935 later.

Montedison has seen a lot of foreign selling, says a local stockbroker, falling L385, or 12 per cent since the end of Sep-tember, support from its major ahareholder, the Ferruzzi group, has been apparent over the past few days.

ZURICH ended 4.1 per cent. lower on the week with the Crédit Suisse index 6.6 lower at

A good banking results sea-son is doing nothing for share prices. Union Bank fell SFr15 to SFr3,585 yesterday, Swiss Bank Corp SFr2 to SFr321 and Bank Leu SFr25 to SFr3,100. What this market needs, said

a Swiss professional, is a sign that the European economic environment is still sound prospectively, somewhat AMSTERDAM found no

THURSDAY OCTOBER 26 1989

191.45 114.82 122.14 89.45 104.59 147.68 80.10 173.79 181.68 291.82 291.82 116.00 70.77 157.63 142.17 145.58 182.37 80.57

114.09

120.54 147.07

138,70

127.20 153.30 125.80 125.80 125.81 110.91 130.03 92.96 114.03 157.00 87.87 190.25 205.15 908.85 177.11 141.05 87.36 127.11 141.05 87.36 129.44 137.37

112,84 153,59 186,40 145,99 136,68 108,95 117,66 145,37 143,94 142,68 128,87

142.58

Copyright, The Financial Times Limited, Goldman, Sache & Co., and County NatWest Securities Limited. 1987 Latest prices were unavailable for this edition. Austrian market closed October 26.

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149.06 160.25 140.88 147.79 208.22 124.88 132.85 97.29 113.78 160.84 87.12

189.02 197.60 317.39 128.17 76.97 171.44 154.62 145.97 158.33 176.59 87.63 140.78 137.37

124.08 166.98 184.56 160.44 137.90 112.89 131.10 159.96 131.86 150.88 132.68

150.85

weak dollar, falling Wall Street and losses in the leading UKquoted stocks pushed the mar-

ket down 2.3 per cent. The CBS tendency index fell 4.1 to 177.4, a drop of 5.4 per cent on the week, Royal Dutch lost Fl 2.70 to Fl 185.60 and Uni-lever shed Fl 2 to Fl 147.60. Turnover crept up from Thurs-

day's low F1600m to F1740m. BRUSSELS stayed dull and bearish, the cash market index falling 116.51, or 1.8 per cent to 6,295.42, for a 4 per cent fall on the week. The biggest volume was in the steelmaker, Cockerill which closed BFr10 lower at BFr205 in 275,500 shares.

MADRID lost more ground on the last day of trading before tomorrow's general elec-tion. The general index closed 3.6 lower at 304.8, a fall over the week of 3 per cent.

STOCKHOLM was uncertain whether the Government could reach agreemant with the opposition on tax reform, investors stayed away and the eased 7.3 to 1,288.1, leaving the week with a 3 per cent drop.

OSLO's declines were 1.5 per cent on the day and 5.1 per cent to 480.08 on the week. Elkem, the metals and ferro-alloys producer, fell NKr9 to NKr197 after a third quarter

COPENHAGEN rose 0.71 on the day to 339.26, and declined only 0.8 per cent on the week.

SOUTH AFRICA

GOLD SHARES closed sharply higher as the bullion price traded at about \$372 an ounce.

The JSE all-gold index gained 88 points at 1,658. The overall index was 41 points up at 2,604, but the industrial index lost one point at 2,543.

MEDNESDAY OCTOR

148.41 180.32 141.87 148.71 208.48 124.74 133.05 96.40 114.24 182.75 87.19 186.77

199,41 320,11 126,67 76,07 170,88 156,33 144,54 158,84 178,57 88,68 142,50 139,13

124.57 186.99 182.40 159.35 139.60 112.70 130.03 158.94 151.65

FT-ACTUARIES WORLD INDICES

Jaintly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood

Mackenzle In conjunction with the Institute of Actuaries and the Faculty of Actuaries

+1.1 +0.0 -0.6 +0.1 +0.3 +0.8 -0.3 +0.8 -0.9 -0.5 +0.9 +0.9 +0.9 +1.0 -0.1 +0.9 -1.3

-0.5 +0.1 +0.8 -1.2 +0.5 +0.5 +0.8 +0.0

+0.0

Div. Yield

3.60 1.85 0.72 1.62 3.35 2.84 4.81 1.70 2.00 2.21 3.51

2.23

Renewed interest rate worries rattle nerves

tial land holdings, which it will use to build up its real estate business, was the most actively

INVESTORS lost their nerve in traded issue with 86.1m shares the face of another interest changing hands. It rose Y20 to Y1,770. Ishikawajima Harima rate scare and share prices suf-fered a bont of broad-based industries, also popular because of the redevelopment profit-taking, writes Michigo Nakamoto in Tokyo. of its property assets, was third

The Nikkei average reached its high for the day of 35,742.97 several minutes after the opening, then slipped to close with a loss of 151.20 at 35,527.29 harely changed on the week. The day's low, reached just before the close, was 35,374.72. Declines at 701 far outnumbered advances at 269 and 156

issues were unchanged.
Turnover swelled to 1.2bn from the 887m traded on Thursday. The Topix index of all listed shares declined 15.82 to 2,681.76, while in London the ISE/Nikkei 50 index rose 2.88 to 2.069.34

Initially, the big securities firms stepped up their buying for their own account in an effort to boost activity, one market expert said. Their efforts to sustain interest in domestic, demand-driven issues quickly collapsed, however, as fears of higher interest rates re-emerged with the morning announcement that the consumer price index for October rose 0.9 per cent from

September.

The dollar strengthened as reports reached the market of a clash between Iran and Iraq, and the recent rapid gains in the Nikkei also caused alarm among investors. The previous day, investors had shrugged of high domestic interest rates. high domestic interest rates but yesterday rumours spread

of a possible increase in the official discount rate. Mitsul Real Estate and hajina, the construction can-pany, both lost Y100, to Y3,080 and Y2,320 respectively, while Yasuda Fire and Marine dropped Y80 to Y1,500. However, high-priced, high-technology issues which had

lost favour recovered. Fuji Photo Film advanced Y50 to Y4,660 and Pioneer firmed Y20

to Y5,670.
Nippon Express, bought on the strength of high truck charter costs and its substan-Vaal Reefs gained R18 to 337. Randfontein gained R6 at

Currency Index

125,77

153,30 156,75 126,53 203,17 110,63 92,24 114,50 153,86 87,89 167,17 206,87 916,62 120,13 88,19 159,48 141,27 167,18 86,60 151,18 86,60 151,18 86,60 151,18

117.46 153.39 183.44 145.05 138.34 108.88 117.11 144.49 143.74 142.68 130.01

1989 High

172.22 144.49 154.49 159.19 159.19 103.84 140.38 96.73 200.11 209.22 88.18 196.39 170.62 180.24 180.94 198.39 170.62 180.94 180.94 180.94 180.94 180.94

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155.92 140.43

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1989 Low

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148.95 95.73 128.91 124.56 148.99 107.98 87.49 107.01 140.91 171.98 140.96 156.89 110.31 74.82 110.31 122.67 110.69 150.31 84.68 137.28 113.03

114.22 125.25 168.43 146.77 113.69 99.71 125.85 145.85 132.67 138.20 114.41

133.06

video game maker, lost Y300 to

RED INK was written all over the Pacific Basin yesterday, and the week was little better. AUSTRALIA topped the day's declines, the All Ordinaries index falling 28.3 to Tokyu, the railway and retail group that has been at the cen-ire of active speculative buy-ing, closed unchanged at 1,620.3 for a 3.2 per cent drop on the week. The expiry of share options yesterday boosted turnover to 183m Y2,740 but was second in volume with 74.6m shares traded. shares and A\$600m from 93m

and A\$239m. Bell Resources added a cent to A\$1.02 following Thursday's 17 cent leap. Speculation that SA Breweries might make a full bid for Bell, which is to acquire Bond Corp's brewing assets, vied with the intention of Lion Nathan, the New Zealand brewer, to proceed with an earlier agreement to acquire half the brewing interests.

NEW ZRALAND led the week down with a 3.8 per cent drop in the Barclays index after a 26.16 fall to 2,084.01 yes terday. Volume was 7.3m shares worth NZ\$15.5m, down from 23.5m and NZ\$25.8m, and Lion Nathan fell 2 cents to

HONG KONG kept its hands in its pockets as the Hang Seng index fell 23.19 to 2,667.99, down 1.3 per cent on the week. Turnover remained light at HK\$660m, against Thursday's two-month low of HK\$498m.

SINGAPORE ended 2 per cent lower on the week with the Straits Times Industrial index down 11.15 yesterday at 1.319.27. Brokers expressed little surprise at the Malaysian hodget announcement of a split between the Singapore and Kuala Lumpur exchanges.

TAIWAN took what it saw as a temporary dip yesterday, the weighted index falling 59.46 to 10,376.49, but staying 2.1 per cent ahead on the week.

MANILA was 0.3 per cent up on the week after a 14.96 fall to 1,264.03, and SEOUL eased 5.53 to 893.59, 1.1 per cent down since the previous Friday.

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Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday end settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thurs-

day's Official List the fatest recorded business in the four previous days is given with the relevant date.
Rule 535(2) and Third Market stocks are not regulated by the

International Stock Exchange of the United Kingdom and the Republic # Bargains at special prices. • Bargains done the previous day.

Wates City of London Properties PLCRed Warrants to sub for Ord — £140 (250589) Wookwich Equitable Building Society91/% Nts 1992 [8725000] — £92% (250689)

Sterling Issues by Overseas

Asian Davelopment Benk 10%% Ln 9tk 2009(Reg) = 298 % Australs (Commonwealth of)6%% Ln 9tk 2012(Reg) = 289% 9% Ln 5tk 2012(R) = 288% (200c89) 11%% Ln 5tk 2015(Reg) = 2105%

(200c89) ink of Greece 10%% Ln Sik 2010(Reg) -

290% % (200c89) 10%% Ln Stx 2010(8r) = 291 (230c89) asse Centrair De Cooperation Scon 12% Gtd Ln Stx 2013(Reg) = 2114%

121% GRI LIT SUR AMOTOURES 16% GRI LIT SUR 2006-2138% % (200689)
Lit Six 2006-2138% % (200689)
Lit Six 2006-2138% % (200689)
Lit Six 2006-2138% % (20069)
141% GRIS et LIT SIX 2007(Reg) - 2131%
Denmark(Kingdom of) 13% Lit Six 2005 -

14 % Grd Ln Sit 2007(Fleg) - E131% Denmark(Kingdon) of 13% Ln Sit 2005 - E112% Eaton Finance NV12%% Uns Ln Sit 2014(Reg) - E18 (230c88) Sectricate de France 121% Grd Ln Sit 2008(Reg) - E118% 9% I1 % Grd Ser Ln Sit 2009/12/Reg) - E110% (250c88) European Investment Bank 5% Ln Sit 2001 (Reg) - 288% % % 10% Ln Sit 2004(Reg) - E35% % 10% Ln Sit 2004(Reg) - E35% % (240c89) Finland(Republic of) 11% % Ln Sit 2004(Reg) - E107% % (250c89) Finland(Republic of) 11% % Ln Sit 2004(Reg) - E107% % (250c89)

Finland(Republic of) 11 1/% Ln Six 2009(Reg) = £1074 % % (250c89) Hydro-Quebec 12.75% Ln Six 2018 = £115% 15% Ln 8tx 2011 = £130% Inco Ld 15%% Uns Ln Six 2006 \$ Rep Opt

= £1224 Inter-American Development Bank9%* Ln Six 2015 - £33% International Bank for Rec & DevS%* Ln Six 2010(Reg) - £33% 11.5% Ln Six 2003 - £105%4 Intland 12%* Ln Six 2008(Reg) -£1125/4 New Zealand 11% Six 2008(Reg) -£101% (230289)

11 %% Sek 2008(Br 55000) - \$102% 250-89

(250c89)
11 // Six 2014(Reg) - \$105 // %
(250c89)
iovs Scotts(Province of) 11 // %
2019 - \$105 // \$ (250c89)
164 % Ln Six 2011 - \$144 //
oringal(Reg) of) 5 // Ln Six 2016(Reg) -

orlugal(Rep 01)9% Ln 35% zuro(rep) – 882% % vovince de Cuebec12%% Ln 5%, 2020 –

2008(Flag) - £109**4**

Bank of Ireland(Governor & Co of)7% Ls

Bardays PLCADR (4:1) - \$30.123996 %

Berdays Bank PLC8%% Une Cap Lo Sik 86/93 - £86% % 7

12% Uns Cap Ln Sth 2010 ~ £103% 4 4 % % 2 % % 15% Uns Cap Ld Sth 2002/07 ~ £125% % % % % \$ GPG FLC42% Cusn Pri £1 ~ 61 (2500:89) Hembros PLCNon Vrg £1 ~ 58 (200:89) Midland Bank PLC 75% Subord Uns Ln Sth 2039 ~ £95% 10%% Subord Uns Ln Sth 53/98 ~ £96 (240:88)

(240c09) 14% Subord Line Ln Stk 2002f07 -

ET 13 % Missibish Trust & Banking Corp Cum Sik YS0 - Y2960 3% 70 70 S 80 60 80 National Westminster Bank PLC 7% Cum Prt £1 - 66 (24069) 9% Subord Uns Ln Sik 1993 - £90%

(250c89) 12%% Subord Uns Lin Sik 2004 --

Saltama Blank LdShs of Com Sik Y50 -Y1750 50

2080 7%% Cum Prf £1 - 81

Breweries and Distilleries

No. of bargains included 429
Alicel-Lyons PLCADR (1:1) - \$7%
8%% Cum Pri 2: - 52
7%% Qum Pri 2: - 52
7%% Qum Pri 2: - 72
3% Red Deb Six 85792 - 285 (230089)
81% Pred Deb Six 85792 - 285
71% Red Deb Six 85792 - 285
11%% Deb Six 2009 - £106% % %
(240080)
51% Uris Lin Six - £48
61% Uris Lin Six - £58Ф
75% Uris Lin Six - £58Ф
75% Uris Lin Six - £580
278 Uris Lin Six 52782 - 278 90
Bass PLC4% Cum Pri 5: - 38% (230089)
75% Cum Pri 5: - 57% (230089)

(230c89) 6 %% Deb Sik 87/92 - £90♥ 10%% Deb 6 k 2018 - £86 % % % %

10% be det 2016 - 185% % % %

4/% Uns Ln Six 9297 - 294 (240c89)

7% Uns Ln Six 9297 - 291 %

Base investments PLC 7% Uns Ln Six 9297 - 291 %

Badeinyton Group PLC 5% Uns Ln Six 9297 - 297 (230c89)

Boddington Group PLC 5% Cow Uns Ln Six 200006 - 2170

Six 200009 - 2170

Six 200009 - 2170

Six 200009 - 2170

Six 200009

Greenet Whitiny PLC A* Ord Sp - 220 30 8% Cum Pri 21 - 90 (250c89)

Greenet Whitiny PLC A* Ord Sp - 220 30 8% Cum Pri 21 - 90 (250c89)

10% Deb Six 2014 - 291% (250c89)

Guinness PLC AQR (5:1) - \$45% (230c89)

Hardys & Hamons PLC Ord 25p - 950 50 (250c89)

regroys & Harsons PLCUT 25p - 950 50 (250c89)
6% 2nd Curn Pri £1 - 52 (230c89)
6% 2nd Curn Pri £1 - 52 (230c89)
Marsston, Thompson & Evershed PLC4%/
Red Deb Stir 1992 - £75 (200c89)
6% Uns Lin Stir 1993 - £73 (200c89)
50:0116h & Newcaste Broweries PLC7%/
CTN Curn Pri £1 - 156 9
7.1% 1st Mitg Deb Stir 85/96 - 296
7.1% 1st Mitg Deb Stir 85/96 - 297
7aux Group PLC7%/
Curn Curn Pri £1 - 70
(250c89)

(25.059)
67/4 Deb Sit 67/90 - 295 (200069)
10.75% Deb Sit 2018 - 296% % % %
11%* Deb Sit 2010 - £101% (200069)
Vatiney, Marm & Truman Hidge PLC4%%
Red Deb Sit 88/93 - £79 (204069)
12%* Red Deb Sit 89/94 - £79 (240069)
12%* Red Deb Sit 2008 - £109% %

101/4 Whitbreed & Co PLC-4//% 1st Cum Pri Stic £1 - 42 (200c99) 6% 3rd Cum Pri Stic £1 - 56 7% 3rd Cum Pri Stic £1 - 57 4 1/% Red Deb Stic 99/2004 - 250

7%% Ums Lin Sik 96/2000 - 252**4** 9% Uns Lin Sik 97/2001 - 255 (240c58)

North Housing Association LoZero Cpn Ln Stk 2016 - 425 (230c89)

Commercial, Industrial, etc.

AAH Hidgs PLC4,2% Cum Pri \$1 - 57

(230-25)
ADT LaCom Shs \$0.01 (Restricted Transfer) - \$1.51 (240-69)
ADR (10:1) - \$30
AMEC PLC 15% Lins Lo Stit 1992 - \$101% (240-69)
Almours PLC Warrants to sub for Ord - 16

(230c89) 7%% Uns Ln StA 96/89 - 277

Registered Housing

No. of bargains anduded nil

(250c89) Albion PLCOrd 20p = 77 85

Associations

Banks and Discount

Companies

Et 13%

Borrowers

No of bargains included 22

RULE 535 (4) (a) Bargains marked in securities where principal market is outside the UK and Republic of Ireland. otation has not been granted in

Acorn Securities 6 Aust. Foundation inv A\$1.724,A\$1.67 (25) 10)
Benetivy Enterprises \$6.5 (23/10)
Benetivy Enterprises \$6.5 (23/10)
Benetivy Enterprises \$6.5 (23/10)
Churchill Resources 144KS12.55
City Developments \$\$3,7843,8407,3,87562 Cooper Resources 38 (23/10) Cudgen AS10.33 Codgen ASJO.33
Callus Sciourcs 14 154 (23/10)
Carlus Sciourcs 14 154 (20/10)
Eurocan Ventures CSO.134 (20/10)
Futuris Corp 64 (23/10)
Greenvale Mining ASO.117
Highreid Steel S. Venture R16.3 (20/10)
Rulim Malaysia Ord ASO.076 (23/10)
Kulim Malaysia Ord (Malay Ord) MSJ.87
Lawter International S12.125 (20/10)
National Electronics (Consolidated 3.5,4.5

National Electronics (23/10)
OII Search ASO.675
Otter Exploration ASO.169 (23/10)
Otter Exploration ASO.169 (23/10) Otter Exploration ASO.169 (23/10)
Overses Chinese Banking Corp SS10.4
Palabora Mintrog S13.7.13.4
Pechiner Ugine Kuhtmann FRS17.47 (25/10)
Playmates Hidgs HKS1.169 (23/10)
Rorer Group S439 (23/10)
Singapore Land SS14.3208,14.85435 (23/10)
Southwest Ends Alexandre 10)
Southwest Gold mines AS0.056
Stone & Webster Inc 339,19146 (23/10)
United Overseas Land SS1.99698
Vam AS0.161280.140, 016 (20/10)
Victoria Petroleum AS0.149 (23/10)

mission of the Stock Exchange Council

Corporation and County Stocks No. of bargains included 5 Greater London Council 6 4% Stk 90/92 -287's Bristol(City of) 11%% Red Six 2908 - £101 (240c89) Islangton Corp 12,65% Red Six 2007 -£110% % (240c89) Leeds(City of) 13% Red Six 2006 -£116'4 (230c89) anchester(City of) 11.5% Red Stk 2007 = Manchester(ory or) 11.5% Hed Sex 2007 = £103% (230-689) Manchester Corp.3% Red Cons Sex 1928(or after) = £10 (200-689) Oldman Met Borough Council 11.25% Red Sex 2010 = £102 (200-689)

UK Public Boards Agricultural Mortgage Corp PLC71/4 Deb Spain(Nangdorn of) 11 % Ln Stk 20.

2010(Reg) - 5107% (250c89)

11 % Ln Stk 2010(Re) - 5107%

Sweden(Nangdorn of) 4 % Ln Stk
2014(Reg) - 533 % (250c89)

13.5% Ln Stk 2010(Reg) - 5123%

Trainid & Tobago(Reg) - 5123%

Trainid & Tobago(Reg) - 5123%

United Mexican States 16%% Ln Section 16%

2008(Reg) - 5100Reg

Sik 9193 - 186 (240c89) 10"-" beb Sik 9295 - 193 90t of London Authorny 65"-6 Reg Sik 6790 - 195 (240c89) Scottsh Agric Sec Com 10% beb Sik 8987 - 193 (240c89) Commonwealth-Government

Jersey Electricity Co Ld8% Gtd Sik 2000 - 195 Foreign Stocks, Bonds, etc-(coupons payable in

LONGON) No. of bargains included 21 Greece (Kingdom of) Mon 4% 1887(Assd with Accept Cert) = £44 (200c89)
Abbey National Building Scorety 8% Nts 1993 = \$100½ (230c89)

1993 - \$100% (230,69)
Angki Group PLC94% Cnv Bds 1999
(Reg) - \$133 (240,089)
Argyil Group PLC94% Cnv Bds 1999
(Reg) - \$133 (240,089)
ASDA Group PLC94% Cnv Bds
2002(B1210008,5000) - \$103% 4 5
(230,689)
B.A. Timernational Finance PLC10%% 6td
Nts 1991(B75,000) - \$33 % % (230,089)
BOC Group PLC95% Bds 1996
(B75,0008,5000) - \$39 % % (230,089)
Bank of Montreal
10%%-Dephits 1991(Br\$\$1000,100008,1000
- \$09% (230,089)
British Arrways PLC10% Bds 2008 \$29% (230,089)
British Arrways PLC10% Bds 2008 \$29% 90% (230,089)
British Gas Intl Finance BV6% Gr\u00f6\u00e4\u00e4\u00e4\u00f6\u00e4\u00e Y1750 50
Standard Chartered PLC 12%** Subord
Uns Ln Six 2002/07 - £102%
TSB Group PLC 10%** Subord Ln Six 2006 - £92825 % 3 3 .05 % 7%
TSB H8 Semuel Back Holding Co PLC8%
Uns Ln Six 89/94 - £33 (240c88)
Warburg (S.G.) Group PLC Cnv Old 25p - 2098 E118 Denmark(Kingdom of) 11%% Bds 1994 – £99% (2000:69) Fisher (Albert) Finance N.V.5%% Gtd Red Cnv Prt 2004 – £105% (2400:89) n Int Finance PLC10%%

Grand Metropolitan Int Finance -Gld Nts 1990(Br25000) - 2971 (200c89) alilax Building Society 10%% Nts 1967 -Fittg Rate Ln Nts 1992(Br25000) -£100.08Φ

International Bank for Rec & Dev11%% Nts 1995 – \$98 % (200c89) Investors in Industry Int'l BV (ImyFinforinding100%-Gid Nts1990[BrQ) – \$97% % (230c89)

hy(Republic of)6%% Nts 1995 (Br\$100008100000) - \$104.3 .55 (240c89) 9%% Nts 1999 - \$105% 6% (240c89)

9% Nts 1999 - \$105% 6% (24008) kyowa Halido Kogyo Co Ld Warrants to sub for Shs of Com Stk - \$22% % (230089) Ladrol e Group PLC5%% Subord Chw Bds 2004(Br£100085007) - \$380 & 0.07 - £80% (20028) 61% Bds 2007 - £80% (20028) 61% Chw Bds 2002 - £55% Leeds Permanent Building Society 91% Nts 1992 - £91% (250089) Logal & General Group PLC12%% Nts 1992 - £86% (200209) London International Group PLC4%% Chw

London International Group PLC41/1/4 Crw
Bds 2002 - 1964- (200069)
Lucas Industries Intelli % Crw Bds 2002 61064- (250069)
Mamtobal Province of) 77/5/4 Debs 20/6/96
Sers AX - 5831/4 (250069)
12% Depose No.

12% Deposit Nis 1992 - £100,76665 .7667 (200c99) National 8 Provincial Bidg Society 10% Nts 1993 (Br£5000810000) - £91% (240c99) 1230009) attonal Mutuel Group Finance Ld 10% Nts 1993 – 291.6 (240c69) av Zealand 91/% Nts 1993 – 291 %

New Zoaland 91/4% Nts 1983 - £91 % (240c89) 10:-% Nts 1995 (Br\$C1000&10000) -\$C99% Φ 30.597.00 Nippon Telegraph & Telephone Corp 104 % Nts 1999 (Br\$C1000&10000) = SC99.6 (240.08) Nappon Telegraph and Telephone Corp 105% Nts 1996 (Br\$C1000&5000) =

Norsk Hydro AS9%% Nts 1993 - 291%

(230c89)
12% 5 8ds 1992 - \$20%
Oesterreichsiche Kontrollbank AG 12% Gtd
Nts 1992 - \$28,346345 (200c85)
Pearson PLC Zero Cpn Bds
1993(8h:100855000) - \$72 (200c86)
Peninsutar & Oriental Steem Nev Co4 %%
Cnv Bds 2002 - \$586

Harris ADUE - 1969 M-9

Harris McDougall PLC4 X% Criv

Bds 2003 (Br25000) - 1121% (230c89)

Rathers Group PLC4% Criv Bds 2002

(Br25000) - 138 (200c89)

Rolls-Royce PLC9% Nits 1983 - 1993

X (240c89)

Sainsbury (J) (Capital) L45% Cnv Cap Bds 2004 (BrES) - £105 % (230c89) Stough Estates PLC6% Cnv Bds 2003 -£103% (240c86) Smith & Nephew Finance N.V.6%% Gel Red Cnv Prf 2004 (Br) - £105% 10% (240c89)

Fied Criv Pri 2004 (Br) - LIUSTA 1074
(24Qc89)
Stanley Electric Co LdWarrants to sub for Com Sit of Co - \$49% (23Qc89)
State Bank of Victoria 11% Gbt Nts 1992
(8+9C10008,10000) - SC100% (23Qc89)
Storehouse PLC4% Criv Subord Bds 2001(8+25000) - E34% (24Qc89)
Tasso PLC4% Criv Bds 2002(8+25000) - E112% (24Qc89)
THORIN EMI Capital NV5%% Gid Red Criv Pri 2004 (84C5000) - £106% (24Qc89)
Trustrouse Forte PLC11%% Nts 1950(Br £5000) - £37% (24Qc89)
United Biscuits Finance NV5%% Gtd Red Criv Pri 2003 - £110%
United Newspapers Capital Ld8% Gtd Exch Pri Shs - £107% (24Qc89)

Albright & Wilson Ld8% Deb Stk 87/92 -588% (240c89) (40,089) ninium LaCom She of NPV -Alcan Aluminium LoCom Sits of NPV – \$22.8 (250c89)
Alaxon Group PLC\$2.5p (Net) Cnv Cum Red Pri 10p – 85% % 90 (250c89)
Amber Day Hidgs PLC10%** Cum Pri 99/2002 £1 – 95 (250c89)
American Brands IncShs of Com Sik \$3, 125 – \$70,287750
Appray PLC9*** Cum Pri £1 – 109 (200c89)
Associated British Foods PLC55%** Uns Ln Sik 87/2002 \$00 – 33 (240c89)

and the second second second second

Ln Sik 87/2002 S0p - 33 (240c89) 71/% Una Ln Sik 87/2002 S0p - 41 (240c89) ted Laisure Hidgs PLC7%% Una 8500466 Users's Hogs Factors In Six 89/94 - \$82 (240089) thwoods PLCADR (5:1) - \$34% % % (250c89) Rwoods (Finance) NV85/p Gtd Red Criv Prf 5p - 124 ustn Reed Group PLCOrd 25p - 410

(240c8)

Language Published PLC5% Criv

Curr Red Pri St = 169

6% Criv Curr Red Pri St = 118

Lutorrotive Products PLC9% Curr Pri St

Automotive Products PLC-W Cum Pri 2:

- 96%
Ayrsive Metal Products PLC Ord 25p 128 8 32 (240-069)
8 AT Industries PLC ADR (1:1) - \$12 %
8 AT Industries PLC ADR (1:1) - \$12 %
8 AT Industries PLC ADR (1:1) - \$12 %
8 AT Industries PLC ADR (1:1) - \$12 %
8 AT Industries PLC ADR (1:1) - \$1 %
8 AT Industries PLC ADR (1:1) - \$1 95
8 ASC PLC 5% 1st Cum Pri 5sk \$1 - 62
(250-689)
7% Deb 3sk 55%0 - 258 (240-259)
7% Deb 3sk 50%0 - 258 (250-259)
8M Group PLC 48p (Net) Crv Cum Red
Pri 20p - 122 (240-259)
8DC Group PLC ADR (1:1) - \$7 95
4.55% Cum Pri 21 - \$0 (200-259)
12% Una Lin Six 201-217 - \$1023 3

8.5.G.International PLC 12½% Uns Ln Stit \$3735 - \$97 (20068) 8TP PLC 7.5(Not) Cnv Curn Red Pri 10p - 94 8 (240069) BTR PLC ADR (4:11 - \$25.99 (200689) Baley(C.H.) PLC '3" Ord 10p - 42 (250689) Balewa PLC 7% Curn Pri \$1 - 62

ey PLCWarrants to sub for Ord - 23 action PLCWarrants to sup for Urg - 2 (24Oc89) turnant Developments PLC6%* Uns Lo Ste 92/97 - 270 (23Oc89) Stater PLC667% Ourn Red Pri E1 - 91 (25Oc89) 8%% Cny Une Ln Stk 2000 - 196% 100 (Fp/LA-3/11/89) - 118 Blue Arraw PLC ADRI (10:1) - \$15% 6% Boots Co PLC 7%% Uns Ln Str 85/93 -

Bowater Industries PLC4.35% Cum Pri 21 Boyester recussives — 60 (250c68) 7.75% Cnv Cum Pri £1' – 94 5% & Brent Chemicals International PLC9% Cum Red Pri £1 – 86 % Bretsh Aerospace PLC7.75p (Net) Cum Cnv Red Pri 25p – 94 % \$ 8 & Crv Rad Pri 25g - 94 % 5 8 6
ADR (10:1) - \$31.29\(\Delta\) 407524\(\Delta\) A8\(\Delta\)
Bridsh Anways Capital La9\(\delta\) Crv
Capital Bale - 94 %
Bridsh-Anvarican Tobacco Co La9\(\delta\) 2nd
Cum Pri Sik £1 - 60 (23Oc59)
Bridsh Shoe Corp Halge PLC6\(\delta\) Cum
3rg Pri £1 - 60 (24Oc59)
7\(\delta\) Una Ln Sik \$550 - £91 \(\delta\)
Sritish Sheef PLCOrd 50p = 124 4 \(\delta\) 4
224 5 5 \(\delta\)

8rbish Steel PLCOrd S0p = 124 4 % % 824 5 5 % APR (101) - \$20.22 .319323 .36 British Sugar PLC10 % Red Deb S0k 2013 - 127 % K 8% % 8% Proadstoner Hidge, PLC6% Cum Pri 11 - 55 (23C68) Brown & Jackson PLC10.75% Cnv Cum Pri 11 - 88 Brown(John) PLC5%% Sec Ln Stk 2003 - 125 (23C68) Budgin(A.F.) & Co PLCOrd S0k 50 - 195 (23C68) Bunst PLC7% Cov Lins Ln Stk 9597 -

(230:69)
Burst PLC7% Cov Lins Ln Six 95/97 - 273
Burndens investments PLC15% Uns Ln Six 2007/12 - 2110 (230:68)
Burton Group PLC9%% Uns Ln Six 96/2003 - 233% (200:68)
8% Cow Uns Ln Six 1996/2001 - 295 7
CHUNCUSTRIS PLC9%% Cum Red Pri \$1 - 67 %
Cakebread, Robey & Co PLCOrd 18p 132 (250:68)
Canadian Over Pack Industr Ld'Com Nov
- P29,9 (250:68)
Caradian Pacific Lo4% Non-Com Pd
ESIG NPV - SC1,325 (240:68)
Carang(N) PLC73/% Uns Ln Sk 68:93 170 (230:68)
Capero Industries PLC675p Divisiond Cort

£70 (230c88)
Caparo Industrios PLC8.75p Bividend Corr Curt Red Pri 20p = 140 (250c89)
PLC0rd Sp (Flestricted Transition of PULCIO Sp (Flestricted Transition - 779 ADR (2:1) - \$25 % Cyrur Handey Halls Stores IncShs. of Com. Sb. \$0.07 - \$9% (230-69) Catepilier IncSts of Cum Sb. \$1 - \$57% (240-69) (24Oc69) hannel Tunnel Investments PLCSp =

Chiamet Tunnel Investments PLCSp = 1411/4 31/4.

Oramor PLC7% Com Prf E1 = 72®
Charringtons Industrial Holps Ld 101/6 Wars Lo Stx 93/96 = 196/6
Chapetow Racecourse PLCOrd 25p = 115% (250/289)
Church(Creefies)Developments PLC9.375%
Cum Rod Prf E1 = 96 (250/289)
Cyde Blowers PLCOrd 25p = 325 30 (240/289)
Costs Petions PLC9%% Uns Ln Stx 200/247 = 366 %

Costs Patons PLC6%% Lins Ln St.
2002/07 - 266 %
7/% Una Ln Sik 90/95 - 261% 3%
Costs Viyete PLC4.9% Cum Pri S1 - 55
Cohenja, 3 Co PLCNon.V % Ord 20p 920 (20068)
Coloroll Group PLC5p Cum Red Pri 2005
10p - 93%
Cookson Group PLC7% Prid Ord 50p - 32
(24068)
7% Cum Pri S1 - 80
Cooper (Prederick) PLC6.5p (Net) Crm Red
Cum Prig Pri 10p - 38 (24068)
Courtaulis PLC7% Deb Sik 89/34 - 285
(24068)

Ourtaulds PLL/ W/N 020 (240c89) 57% (Jns Ln Sek 94/96 – 257 (200c89) 6%% (Jns Ln Sek 94/96 – 277% 7%% (Jns Ln Sek 94/96 – 279% 80% 7%% (Jns Ln Sek 2000/05 – 278% (240-28)
Courtautics Coesings La6 X V Uns Ln Stk 9035 - 284 V (230-28)
Courtautics Clothing Brands Ld7 X V Cum Pri Stk E1 - 70 (230-28)
Crystainte Hidgs PLC8 X V Cav Uns Ln Stk 203 - 252 (230-28)
DRG PLC7 X V Uns Ln Stk 56/91 - 237 X V Uns Ln Stk 203 - 252 (230-28)

DRIGHT PLC 143% Cum Pri \$1 - 65
Device & Metcalle PLC"A"(Non.V)Ord 10p - 178 (24°Cd9)
Debarhams PLC 7%% 2nd Deb 3tk 91/96 - 282 (23°Cd9)
8%% Une Ln Stk 86/91 - 258 (23°Cd9)
73% Uns Ln Stk 20°2/07 - 259 (23°Cd9)
(23°Cd9)

(230c89)
Deter PLC4.2% Cum 1st Prf £1 - 60
7% Deb 3% 85/50 - £91 % 2
(240c89) (c69) na PLC 6.25% Cum Gny Rad Pri £1 - 118 (250039) Dickie (Jemes) PLCOrd 25p - 180 6 7‡ 92 Dowly Group PLC7% Can Cum Red Pri £1 - 112 8

Bye(Winthfoldon) PLCOnd 25p - \$65 (240689) English Chira Clays PLCADR (\$1) -£12.10© Eraco-Gutzek CyUnrestricted A She FRA10 - FM25%© 8%% Cum Red Pri 2001/05 £1 - 83 5%% Crw Cum Red Pri 2005/11 £1 - 70 (250:09)
Euroturnel PLC/Euroturnel SAUnits (1
EPLC Ord 40p & 1 ESA FR10) (0r) 255.016 40p & 1 ESA FR10) (0r) Warrants (Scovern Inscribed) - FR55.2
Warrants (Scovern Inscribed) - 20.42

Werranta (Scovern Inscribed) - £0.42 FR4% (23068) Bydde Group PLC7p gliet) Cav Gum Red Prf 10p - 85 (25068) Fnley(tames)PLC4.2% Cum 2mi Prf Sik £1 - 58 (Albert/Group PLCADR (10:1) -\$17½
Paons PLCADR (4:1) - \$20.3899 5299
6%% Une Ln Sit 2004/09 - 251
Fitzwition PLC6%% Cum Pri Fitt - E0%
0.56 (20069)
Paor Corp Com 50.625 - \$33% (230:68)
Folkus Group PLCOrd Sp - 66% 7
Fortum & Meson PLCOrd Sk 21 - 247
2550:659)

(250cts)
Foseco PLC8%% Criv Red Cum 2nd Pri -150 (240c85) 10% Cov Una Lin Sik 99/95 - 2152 (240c85) strice Ld9% Uns La Sik 94/99

(24Oc69)
Francis Industries Ld9% Uns Ln Six 94/99 - 293 (25Oc69)
Francis Industries Ld9% Uns Ln Six 94/99 - 293 (25Oc69)
Friendly Hotels PLC-4%% Cnv Cum Red Pri £1 - 95
9% Cnv Cum Red Pri £1 - 148
(25Oc69)
7% Cnv Cum Red Pri £1 - 95
GINI (United Kingdom) PLC-10/% (3xd Deb Six 90/95 - 295% (25Oc69)
General Electric Co PLC-ADR (1:1) - \$3%
7%% Uns Ln Six 97/92 - 297/9
7%% Uns Ln Six 98/93 - 297/(24Oc69)
General Instrument Corp Six of Com Six 31 - 223 G(24Oc69)
Gesselmer Hidge PLC-10% Cnv Uns Ln Six 90/95 - £1/28 9
Gesselmer Hidge PLC-10% Cnv Uns Ln Six 90/95 - £1/28 9
Gesselmer Hidge PLC-10% Cnv Uns Ln Six 90/95 - 12/28 9
Viv. Uns Ln Six 85/95 60p - 43%
Glymwed International PLC-10%% Uns Ln Six 94/99 - £36%-(24Oc69)

Goodwin PLCOrd 10p - 48 (240c89) Grace (W.R.) & CoCorn Sit \$1 - \$32 Grand Metropolitan PLC 5% Cum Pri \$1 -

49 (240c89)
61% Curn Pri St - 81% (240c89)
61% Curn Pri St - 81% (240c89)
61% Red Universal Stores PLC5%% Red Universal Stores PLC5%% Red Universal Stores PLC5%% Red Universal St. 10 St. - 255 (200c89)
81% Universal St. 10 St. - 255 (200c89)
Hander St. 10 St. - 256 (200c89) 87/82 - 255
Hercules IncShs of Com Sitk of NPY 226.524569 \$ 42%9
Hillsdown Hidgs PLCADR(4:1) - \$77%
(250.68)
Honga Motor Co La Shs of Com Sitk Y50 -

Honda Moior Co La Sha of Com Shi Y50 – Y1671.591333 5 482 (250c89) Howden Group PLC71/W Dab Shi 85-81 – 233 (230c69) Hunterprint Group PLC61/W Cav Curn Fisc Pri 21 – 68 70 (230c89) MLPLC71/W Urn Ln Shi 8853 – 2857/ 6% Urs Ln Shi 8550 – 2847 (200c89) Iostend Frozen Foods Hidgs PLC Cay Cura Rad Pri 20p – 95 Blagworth Months PLC61/W Cura 2nd Pri Imperrit.Morris PLC651% Cure 2nd Pri 56: E1 - 63 (230-289) essupe PLC7.3p (Ner) Cnr Curr Red Pri 50p - 74% (240-289) ohrson 8 Frith Brown PLC11% Uns La 5(8 53-98 - E32-9)

JOHN SU/SS - ESSON
Johnson Group Cleaners PLC7.5p (Net)
Crv Gurn Red Pri 10p - 135
Johnson Matthey PLC6's Crv Gurn Pri Et
- 500 (240c5s)
Kayser Bondor Lift's Red Gurn Pri Stk £1
- 630
Kayser Bondor Lift's Red Gurn Pri Stk £1
- 630 Kerning Motor Group PLC7% Cum Pri S1

72 3 (250:59)
Keppel Corporation Le Ord SS1 = \$34.724378
Kingtey 6 Forester Group PLC3.85%
Cum Pri S1 = 45 (230:28)

on Prif E1 - 45 (230-289) nece Corporation She FM20 yestricted) - FM100% 1 % roke Group PLC8% Get Uns Ln Stk 90/92 - £90% (23Oc89) http://de.html Six 94/99 - 195% (230c89) Laporte PLC18% Deb Six 93/98 - 180 10%% Deb Six 94/99 - 192% (200c89) 102 to 100 Set Sers = 132 to (20038)
Leisura investments PLC7% Cum Cev
Red Pri (63/98) 21 = 600 400
Levis(John)Partnersing PLC7% to Cum Pri
Six 21 = 66 (240689)
Les Service PLC8% Los Ln Six 22/97 =
254 to (23/0689)

E844 (200c89)

Like Sciences International PLC9% Cum Criv Red Pri £1 - 183 5 (240c89)

Lisy (E9) & Co.5% of Com Six NPV - \$64% (200c89)

Loyde H, Hadge PLC7%% Lins Lin Six 81,61 - 289%

Lontro PLCADR (1:1) - \$3.95

7%% 184 488 Deb Six 86/91 - 299

Lookers PLC8% Criv Cum Red Pri £1 - 78 80 1 2 3 (200c89)

Lowymy & Co. PLC8.75% Cum Criv Red Pri £1 - 145

Extended Pri £1 - 145

Pri St - 145
Lowe(Robert H.) & Co PLC87.5% (Net)
Crw Cum Fed Pri 10 - 45 (25059)
Liteas Industries PLC104% Uns Ln Stk
92/97 - 597 (25069)
MCCartity & Stone PLC8.75% Cum Red
Pri 2003 St - 87 (25068)
Pri 2003 St - 87 (25068)
Pri 2003 St - 87 (25068)
Pri 51 - 72 (20068)
Manganee Bronze Hidgs PLC84% Cum
Pri St - 72 (20068)
Manganee Bronze Hidgs PLC84% Cum
Pri St - 72 (20068)
Manganee Bronze Hidgs PLC84% Cum
Pri St - 72 (20068)
Manga Leisure Group PLC7.25p (Neg Crw
Cum Red Pri 20p - 50 ½; 2
11.5% Deb Stk 2011 - 197% %
(25068)

11.6% Dab Sit 2011 - 197% % (250c89)
Matel Comparation Curn Sits of NPV - 21.85 (230c59)
Matel Comparation Curn Sits of NPV - 21.85 (230c59)
Matel Sits (250c - 21031.008 45 5 50)
Mansanto Co Corn Sit 32 - 3116.5117 (240c25)
Mantedison S.P.A. Savings Sha L.1000 (Cpn 6) - L.1005 (240c89)
Martin Sundour Fabrics Lis 5% Curs 1st Pri \$1 - 50% Phount Charlotte Investments PLC10%%
1st Mig Deb Sit 2014 - 235% % % (MSM PLC8.5p (Met) Cive Curn Fed Pri 10p - 130

National Medical Enterprises IncShip of Com Six St.05 - \$86% (200-059) Next PLC7% A* Cum Pri 51 - 84 (250-089) 10% 9* Cum Pri 50; - 42 (250-089) 7%% 1st Mig Deb Six 87/82 - 250 ros PLC15%% Deb Sik 90/95 -

1102% (250c89) formana Group PLC5% Cum Pri Et = 80% (200c89) 80% (200:089) 8%% Cav Urss Lin Sak 99/04.~ 222 orsk Deta AS Claes "8" (Non Yag) NR20 4 Oceanics Group PLC81/% Cum Red Pri 1993 E1 = 88 90 (2900:69)
Warrants to sub for Ord = 14
PFG Hodgson Kenyon inst PLCOrd 10p =

6.75% Cm Pri 91/2001 10p - 75 ST = 256,88418 (200,088) aridiald Group PLCCum Red Pri 2010/13 7% Cum Cnv Red Pri 21 - 447 Parison Leisure Hidgs PLC Ord 10p - 100

Pearson PLC8.25% Uns Ln Stx 85/93 --55% Ung Ln Six 88/93 - 58% 8.525% Ung Ln Six 88/93 - 58% ergenon AGB PLC7-5p Cm Subord La Six 2002 2½p - 43 (25/068) fearly Co PLC7X% Deb Six 92/97 mil Duffryn PLC4%% Cum Prf 50p -Powell Duftryn PLC4%% Cum Pri S0p = 22 (230c89)
Prowthg PLC8.8% Cum Pried Pri Et = 92
Queens Most Houses PLC10%% 1st Mig
Deb Sit 2920 - 290% 1%
Quicts Group PLC10% Cum Pri Et = 106
(200c89)
REA-Hidgs PLC12% Criv Uos Ln Stit
2000 - 285 (230c89)
RPH Ln Sty Deb Sit 2278 - 284 % Ф
41% Uns Ln Sit 392004 - 280
9% Uns Ln Sit 392004 - 280
Real Electronics PLCADR (21) - \$7.05.1

Riscal Electronics PLCADR (2-1) - \$7.05.1.

18

Rocal Telecom PLCADR(10-1) - \$53.03\(\)

53\(\)

53\(\)

93\(\)

Ranks Hovis McDougal PLC 8% Cum "A" Pri E1 - 87 (23Oc69)

8%% Ures Ln Six 90/94 - 285%\(\)

8%% Ures Ln Six 90/94 - 285%\(\)

8%% Ures Ln Six 91/95 - 285%\(\)

9 Raines Group PLC8/75 Cm Cum Non-Vig Red Pri 720 p - 98 %

Redit & Colman PLC5% Cum Pri 21 - 49 (25Oc69)

Renold PLC7%% 2nd Deb Six 92/97 - 280 % (25Oc69)

8% 15 Oeb Six 91/96 - 279 (23Oc69)

Resonore PLC13%(NegOre Cum Prid Pri 172) = 11 - 130 (25Oc69)

Richards PLC7%% Deb Six 87/92 - 296 (25Oc69)

Richards PLC7%% Deb Six 87/92 - 296 (25Oc69)

Rochards PLC7%% Deb Six 87/92 - 296 (25Oc69)

Rochards PLC7%% Deb Six 87/92 - 296 (25Oc69)

Rochards PLC7%% Deb Six 87/92 - 296 (25Oc69)

Rochard Pri 21 - 79 80 (25Oc69)

Rotort PLC9%% Cum Pri 27 - 95

Roboth PLC9%% Cum Pri 27 - 95

SCHOOL SHE OF COM SHE OF RPV - \$35 (200-287) SD-Scioon PLCS-5% Criv Cure Red Pri 21

- 112 6% ·

SO-Secon PLCS-% Criv Cum Red Pri 21

- 112 6½ 4

Werrants to sub for Ord - 8

Season 8 Season Co PLC ADR (21) 314.956 .76 % 9.8559 39

6% Criv Uns Lin Six 2015 - 275

Senderson Murray-Elemifields) PLCOrd

50p - 180 (240c69)

Season on Hurray-Elemifields) PLCOrd

50p - 180 (240c69)

Season on Hurray-Elemifields) PLCOrd

Cum Red Pri 20p - 111% 220c698

5.75% Criv Cum Red Pri 21 - 186

(240c69)

Season Group PLCP% Uns Lin Six 88783 255 (250c69)

Season Group PLCP% Uns Lin Six 88783 255 (250c69)

Shopping Group PLCP% Uns PLOP Six 200c789

Shopping Group PLCP% Uns Pri 21 - 74

(250c69)

Shopping Group PLCP% Uns Lin Six Six 200c789 - 250 (240c68)

Singeboy PLCA2% Cum Pri 21 - 155

(230c69)

Singeboy PLCA2% Cum Pri 21 - 155

Singeboy PLCA2% Cum Pri 21 - 155

Six 20c69)

Singeboy PLCA2% Cum Pri 21 - 155

Six 20c69)

Six 20c69 - 250 (240c68)

Imitivi John (Fleich Head) Ld55% Cum Pri 21 - 550 meth (W.H.) Group PLC5% Fled Deb Stk 57/92 - 532 (23069) 5%% Red Una Ln Stk - 5/7 (20069) imith/Cine Beethem PLCADR (51) -Smith Cine Beachers PLOTS mith Cine ADR (1:1) - \$37.98 8.105 V. Smith Cine Beachers PLOTS mith Cine Pri 121 - 121.45 (230-25) 924 Cru Unit Lin Nis - 12180 Street Exponsible PLCOrd Str. 20p - 2124 (200-68) CHURC DAR STR. 18580 - 532

Sacrety PLC6%% Deb Stk 85/90 - 292 (240c89) (240c89)
Sering Industries PLC1st Prij54/%
Cumpit - 54 (230c89)
Seringua PLC3% Criv Lina Lin Set 1992
- 295 6 7 6 (230c89)
Selation Speakman PLCWarrants to sub Supplies Speakings PLCWarrance to Section 25 Symonds Engineering PLCOrd 5p - 35 T 2 N PLC8% Map Deb Sit 87/92 - 253

7.3 N PLCS% and Deb Sat 9095 - 256%@
10.1% Mag Deb Sat 9095 - 256%@
10.1% Mag Deb Sat 9095 - 256%@
12mmor PLC71% Deb Sat 9297 - 250%
6%% Uns Ln Six 9095 - 255 (24068)
12mmor PLC9% Uns Ln Sat 2003/06 276 (25069)
12mmor PLC60% Lns Lin Sat 2003/06 185 (25068)
18 Can Pri £1 - 96% (20068)
18 Can Pri £1 - 96% (20068) (240-059) Talog(Thomas) PLC4.557% Cum Pri S1 = 65% (240-059) 5.25% Cum Pri S1 = 71 (240-059) 8%% Una Ln Sith 65/94 = 597/9 80

Tiphook PLCUnits of 420p of CULS 1990(Pby Pd(Reg) - 100 Tools Group PLCS% Cum Pri 21 - 51 (250cm) 7%% Uns Lin Stk 89/94 - 250

94% Une La Sik 2000/05 - 287 (230-689) 10% Was La Six 2001/05 - £90 (250-689) Trusthouse Forte PLCWernents to sub for Ord - 85 (250c89) 7.25% 1st Mtg Deb Sik 86/91 - 590% 1 % (230c85) 10.5% Mitg Deb Stk 91/95 - \$96% 9.1% Line Ln Stk 95/2000 - 287% (290c89) USKO LdOrd R0.50 ~ 57

Unique PLCSN% Une Ln Stk 91/96 - £78 (240089) Unique PLCADR (4:1) - \$41,850 71,96290 72,1860 71.562549 72.15649 5%% Uns Lo Str 91/2005 - 250 8% Uns Lo Sik 91/2006 - 274 5 6 % %

No. 1 - 63 (250c89)
Union international Co PLGS's Cum Pri Sis £7 - 63 (250c89)
Unions Corp.Com Sis 55 - £11
United Biscarling Holge, PLCS's Deb Six 93:98 - 252
Upton & Southern Holdings PLC Ord 25p - 51 s. 200-99 Vardy (Reg) PLC Ord 10p - 84 Victors PLC Ptd 5% Ste(Non-C)

2500
5% PrijNon-CumjSik £1 - 500
5% CumjTax Free To 30ptPri Sik £1 70 1 (250c89)
WPP Group PLC8.25p (Nei) Crw Cum Red
Pri 10p - 103
Wagon industrial Hidgs PLC7.25p (Nei)
Crw Prig Pri 10p - 101 (250c89)
Waller(Thomas) PLCOrd 5p - 58
(240c89) #### (Thomas) PLCOrd 5p - 68 (24069) #### Carona Str \$1 - 198% (20069) (200289)
Watmouthelings) PLC8 K% Cum Red Pri
2006 S1 = 85% % (200289)
Waterity Carment PLC7:59 (Net) Cnv
Cum Red Pri Sp - 720
Watmbley PLC7:5% Cnv Una La Stx 1999
- 281 S (2400289)
Watshard Group PLCWarrants to sub for
Ont - ST

instand Group PLCWinteracts to sup for Ord - 51 7'4% Cast Cast Pri £1 - 155 (250c69) 73% Deb Six 87/32 - 138 (200639)
Whitegrott PLCA.1% Curn Pri E1 - 55
(240639)
Whitegrott PLCA.76% Cav Curn Red 2nd Pri
2000 E1 - 90
Williams Hidgs PLC16%% Curn Pri E1 112 112
Woolcombers(Hidge) PLG5% Cum 2nd Pri Six 51 – 51½Φ
Xence Corp Com 5tk 52 – 562½½
(23C65)
Yates(W.E.) Lo 7½% Cum Pri 51 – 67Φ
Yorkshire Chemicals PLC5% Cum Pri 51

- 50% (200c69) Yule Catto & Co PLC 11%% Cum Red Pri 1998/2003 £1 - 117 (250c69) Financial Trusts, Land, etc.

No. of bargoins included 405
Alben Hume International PLCT's (Net)
Criv Cam Rad PH £1 - 187
Albed Dunbar Int Funds Ld Ptg Rad Pri
\$0.0025(Far East) - \$1.138 (230059)
Ptg Rad Pri \$0.0025(Lbt Cap Geroeth
Pand) - 19.96
Britannia Arrow Hodgs PLCWts To
Subscribe for Ord - 35 (230059)
British & Commonwealth Hodgs PLC 1014%
Uns Ln Sit 2012 ~ \$25 (240059)
Caffed IncSte of Cam Sit \$1 \$24.791627 24.791629 (240059)
Day Mai & General Trust PLCOrd Sip \$25 (230059) 159 (230e89) EFT Group PLCWarrants to sub for Ord =

First Deberture Finance PLC11.125% Severaby Gud Deb Stic 2016 - £100% (240c69) Goode Durrant PLC3.5% Cum Pri 50p -24 (250c89)
Greece Fund LdShs \$0.01 (DRs to Br) =
\$1325 | 1325
Hambro Euroband&Maney Market Fd Ld
Pig Red Pri Tip(Stig Euroband Fund) =
\$1.4.728 (250c89)
Higherott Investment Trast PLCOrd 25p =
\$70 (250c99)

Higheroft Investment Trast PLC Ord 25 270 (250c89) IBI Global Funds Ld Ptg Red Pri \$0.01(Corporate US\$ Stra) ~ \$32.31 (24Oc89) chaspe PLC10%% Unit Lin Six 90/95 -

Artisignmented Financial Invs PLCWintrants to sub for Str. = 4% Anglo United PLCCov Rad Pri 10p = 92 Asserto IncCost Stk NPV = \$31,71\(\Phi\) 80\(\Phi\) 2\(\Phi\) Baidst Minney PLC10p = 40 Bottement RST LSP\(\phi\) 2 = 20

De Beers Consolidated Alines Ld.DM 296 (23(0c69) 12%% Lins La Sec 93/96 - 2102 (230c89) at Stock Exchange of UK&Rep of IrLd 7's % Mag Deb Set 90/95 = 881 2

(230089)
Nory 8 Sine Atlas Fund She of NPV(Dollar
Purtole) - \$2.15 (200089)
Soree-Europe Fund LeSha \$0.10 - \$57%,
She(DR to Br) \$0.10 (Opd 3) - \$29125
29250 (240089)
LT Holdings PLC 8.47%, Com Red Pri £1
- 85 Da Seers Constituting America Lauvin Routs (an) (Con 83) = 13 13.05 13.05 6% Cum 2nd Prf R1 = 6 (240.089) El Ono Missing Exploration to PLCOrd 10p = 385 7 (250.089) Europa Mineralia Group PLCOrd 2p = 38 Europa Mineralis Group re-250-259 Minergera Copper Mines LdOrd Stk \$21 -8 (200-259) - 95
London & European Group Le 10%% Uns
Ln Sik 1993 - 285 (20069)
Mild Britannis Jersey Gift Fund Ld Pag Red
Pri 1p - 17-56
Manile Fund (Caymen) Ld Pag Red Pri
90.01 - 511
Mezzenine Capital-Line Test 2001 PLC Inc
Str. S I - 155 (20069)
NMC Group PLC Warrants to sub for Shs
- 97
Nectonal Home Loans Hidgs PLC Ord 150

(200086)
The Investment Fund Liding Red Ptd 50.01 - \$11 % 16000 16200
That Prime Fund Liding Red Ptf \$0.01 - \$15.42

\$15.42
TheBard International Fund LaPty Sha \$0.01 (aDPTs to St) - \$15.9 16%
Thompson Cave Investments PLCOrd 50p - 151 (230069)
Thompson Peofite Investment Fund SA£1 - £11.54 (240069)
3 PLC7%% 'A' Deb Six 89/92 - £86 7 k % 'A' Deb Six 91/94 - £81%
£500288

37 -V. Dep 29: 81/24 - 286 802

Commercial Union Assurance Co PLC5%
Cum Red Pri 89/2009 St - 58 (230c89)
General Acc Fire&Life Assc Corp PLC

Peneral Acc Pired Life Asec Corp PLC 71% Uns Ln Stk 9297 - 582%

Abtrust New Dawn Inv Trust PLCOrd 25p - 127

Warrants to sub for Ord - 97 (240c89) Alternoe Trust PLC4X% Pri Stk (Cum) -

SSOW, (23CoBS)
5% Pri Stk - E59% (25CoBS)
Anglo & Overseas Trust PLC 4/5% Cum
Pri Stk - E54% (23CoBS)
Beglie Gifford Japan Trust PLC Warrants
to sub for Ord - 510

Bailtie Gifford Shin Nappon PLC Warrants-to sub for Ord - 92

Stri(Cum) - £55 (200c69) Equipes index ULS 2005 10p - 109%

(230c89) Capital Gearing Trust PLCOrd 25p = 450 60

GI City of Oxford Investment Trust PLCOrd atc 5p - 49% Drayton Asia Trust PLCUnitists Ord & 1 Tat Wrtt (Fp/LA-3/11/89) - 510 20 5 BPM Drayton Trust PLCWarrants to sub-for Ord - 7%

Rer Ord - 7% Exhiburgh investment Trust PLC3%% Oeb Six 1988 - 159% 54% Deb Six 1998 - 569% 77.% Deb Six 1995 - 283% A Ne 11 % Deb Six 2014 - £102% % 200698

(20069)
Engish & International Trust PLC&875%
Care Pri 21 - 98% (250c89)
Engish & Scottish Investors PLC 15* 25p 129 (200689)
F.3 C. Eurotrust PLC5%% Crev Uns La Six 1996 - 2258 (240c89)
F.3 C. Eurotrust PLC5%% Crev Uns La Six 1996 - 2258 (240c89)
F.3 C. Pacific Investment Trust PLC
Warrants to sub for Ord - 1330
F.3 C. Smelter Companies PLC5% Cura
Pri Six - 271 (230c85)
Fifth Throgmorion Co PLC7.25% Crev Uns La Six 2006 - 294% (250c89)
First Scottish American Trust PLC3%%
Cura Pri Six - 255 (250c89)

ment Trust PLC3.5% Curs

Bankers Investment Inc.
Pri Stk - 254 (250089)
Pri Assets Trust PLC A- 5% Pri

(23Oc89) (23Oc89) (23Oc89) Guardian RoyallEmhenge Assurance 7% Cum Red Pri St - 78Ф 7% Ums Ln Sik 65/91 - 288% Part (3roup PLC6 V% Pri St - 120 (24Oc89)

Investment Trusts

No. of bargains included 752

Insurance

Mines - South African No. of bargains included 40 Barnato Exploration LdOrd R0.01 - 48 (240c89) DAS Investments LdOrd R0.01 - 240 (230c89) Lindum Reafs Gold Mining Co LdOrd R0.01 - 36 (240c83) - 97 National Home Loans Hidgs PLCOrd 1Sp - 92 3 7 7 8 9 8 102 2 3 7.5% Cnv Pri S1 - 70 2% 3 Old Crost International Resource I d Pine - 92 3 7 7 8 9 8 102 2 3
7.5% Cm Pri S1 - 70 2% 3
Old Coart International Reserves Ld Prig
Red Pri \$0.01(USS Stra) - \$45.539
Opens Growth Fund LaPig Red Pri \$0.01
(Reg) - \$12 4 \$
Presided Arrestment Co PLCOrd 10p - 86
80 (230c89)
RBC International Capital Fund LaPig Red
Pri \$0.01 - \$50.25 (200c89)
Royal Trust Government Secs Fund LaPig
Red Pri 1p - 60.44
Second Market Investment Co PLC25%
Cmv Uns Ln Sk 1994 - 250
Singapore SESOAC Fund La Shs \$0.01 -£1 1%
Was to sub for Shs - £5%
Smith New Court PLC12% Subord Une La
Sek 2001 - £53 k 20 (230c69)
Strate Investments PLCVertants to sub
tor Ord - \$0 (200c69)
The Workwide Strategy Fund Sicar Shs
NPV (North America Fund) - 141.84
(250c69)
Their Investments Fund Ld Prig Red Ptd Oil No. of bargains included 1174

Advante Resources LdCum Shs of NPV -36.3279© British Petroleum Co PLC9% Cum 2nd Prf £1 - 87 th Oi PLC7%% Cum Red Pri Stk £1 8% Cum Pri Stk £1 - 76% (240cts) ELF UK PLC 12%% Une Ln Stk 1991(Reg) - 197% % (230089) Enron Corp Sits of Corp Sit \$10 - E31.74 LASMO PLC 10%% Deb Sit 2009 - 290% 1% % Shelt Transport&TradingCo PLCOrd She (Br) 25p(Cpn 183) – 420 (250c89) 5%% 1st Pri(Cum)S1 – 54 (200c89)

Property No. of bargains included 582 Arington Securities PLC99% Curn Red Pri 2008 £1 – 106% (230c89) Barryston Midge Ld6 %% Urs Ln Sik 200207 – 274 (240c89) Barryston Property Group Ld7 %% Uns Ld Sig(\$1289) – 179 (240c99) Barryston Property Group Ld7 %% Uns Ld Sig(\$1289) – 179 (240c99) Barryston PLCAccum Shs 25p – 445 (200c89) Bridgen Estate PLC9.50% 1st Mitg Dab Sik Shidon Estate PLC9.50% 1st Mitg Deb Six 2025 - 923% (24-049)
Capital & Coursier PLC65% 1st Mitg Deb Six 88,796 - 272%, 81% 1st Mitg Deb Six 88,796 - 272%, 81% 1st Mitg Deb Six 2027 - 285% (230-285)
Charlwood Alianoe Hidgs Le98% 1st Mitg Deb Six 85,796 - 135
755% Unis Ln Six 50p - 23
Chilipton Combined Sacs Le68% 1st Mitg Deb Six 66,971 - 285 (24-045)
Daree Estates PLC7.75% Chr Curn Red Prf S1 - 85,9
Five Deics Investments PLC7% 2nd Curn

Use a States PLC7/75% CM Curn Red Prf E1 = 86 9

Five Oaks timestments PLC7% 2nd Curn Prf E1 = 90 (200289)

Great Portland Estates PLC9.5% 1st Mitg Deb Six 2016 = 285% Ped Cnv Une Ln Six 1995 int1 = 121% (220089)

Greycost PLC9% Curn Red Prf 2014 E1 - 98% 12.85% Une Ln Six 9092 - 297% Hammerson Prop Inv2Dev Corp PLC0rd 25p - 795 815 (250089)

Hammerson U.K. Properties Ld9%% 1st Mitg Deb Six 97/2002 - 293 (230089)

Hammerson Ectotes PLC10% 1st Mitg Deb Six 98/2003 - 292 (200089)

Land Securities PLC9% 1st Mitg Deb Six 88/2003 - 293 (230089)

6% 1st Mitg Deb Six 83/85 - 273% 6% 1st Mitg Deb Six 98/2001 - 285% (240089)

8% 1st Mig Deb Six 96/2007 - 286% (240099)
8½% Uns Ln Six 82/97 - 284 %
Law Land PLC6½% 1st Mig Deb Six 85/91 - 288% (240089)
London & Edinburgh Trust PLC6½% 1st Cum Red Pri 2013 21 - 95 (250085)
London&Prov Shop Centrest#AdpsPLC 10% 1st Mig Deb Six 2026 - 257% 8½ London County Fine & Luste, Prop6½% 1st Mig Deb Six 86/95 - 277 7%% 1st Mig Deb Six 86/95 - 278 (240085) (240cd9)
MEPC PLC9%% 1st May Deb Sik 97/2002
- 591% 10%% 1st Mag Deb Stk 2024 - \$58%

101% 1st May Deb Sik 2024 - 238% % (25063) 12% 1st May Deb Sik 2017 - 2105% 9% Une Lin Sik 200005 - 274 101% Une Lin Sik 2022 - 282% 3 % % 6%% Che Une Lin Sik 96/2000 - 2140 Merin international Properties LdCom Red Criv Pri E1 - 48 50 P & O Property Holdings LeS% Uns Ln Stk 97/98 - 275

P & O Proparty Holdings La57s Uns Ln Six 5776 - 275 Peel Hidgs PLC 10% Cusn Pri 50p - 48 (240c83) 5 25% (Net) Crw Cusn Non-Wig Pri E1 -83 9 (250c83) 9 1% 1st Mg Deb Six 2011 - 257% % Regis Property Hidge PLC6%% Gtd Uns Ln Six 1987 - 250 5% Rush & Tompkies Group PLC7.5% Crw Cusn Rad Pri SI - 110 (230c83) Sociash Mempokian Proparty PLC 18%% 1st Mg Deb Six 2016 - 258% (250c83) Sheshbark Property Trust PLC6% Cusn Crw Pri E1 - 76 80 Sprytawk PLC9.75% Care Red Pri 2014 51 - 96 (250c83) Tops Estates PLC10k% 1st Mig Deb Six 2011/18 - 257% (230c89)

Town Centre Secrities PLC9% Cav Uns Ln Sk 98/2000 - 2200 (24Co68) Warner Estate Hidgs PLC6%% Lins Ln Stk 91/96 - 270

First Spanish Inv Trast PLCWerrants to sub for Ord – 59 90 50 Florating Fat Eastern Inv Trast PLC6% Cure Pt 51 – 54% (250089) Florating Mercantile Inv Trust PLC2.8%

Curti Pri St - 5% to Trust PLC28%

Fisming Mercanille for Trust PLC28%

Care Pri Six St - 44% (250c89)

3.5% Curri Pri Six St - 55 % (250c89)

Fisming Overseas for Trust PLC5% Curri Pri 51 - 51 (250c89)

Foreign 8 Col Invest Trust PLC7%% Deb

Six 859.4 - 538 (250c89)

Gartingre American Securios PLC2ero

Devident Pri 259 - 473, 8%

Gartingre Value Trust PLC2ero

Devident PTI 20p - 47 a 5 a Garmore Value investments PLC Zero Dwidend Pri 10p - 61 K German Smaller Co s Inv Trust PLC Warrants to sub for Ord - 1820 Glesgow Income Trust PLC Werrants to sub for Ord - 6 Globe Investment Trust PLC 10% Dab Sta

2016 - 193% Govet Atlantic Inv Thiat PLC5% Pri St. -154 (250c89)

Gorett Afgarhe inv Thigs PLC5% PT 5% = 554 (250c89)
4½% Cum Pri 5% - 268% (250c89)
5½% Cum Pri 5% - 159% (250c89)
Govett Bratagie her Thigst PLC10%% Deb 5% 2016 - 233%
Hambros twestment Trust PLC3½% Com, Pri 5% - 258 (250c89)
5% Cum Pri 5% ET - 54 (250c89)
Investors Capital Trust PLC3½% Cum Pri 5% - 258 (240c89)
7½% Deb 5% 52/97 - 279% PK PK
Hammort Charler Inv Trust PLC4% Cum
Pri 5% - 251% (250c89)
Lazard Select Investment Trust Ld Prg Rad
Pri C, 19 Global Active Fund - 217.57
(200c89)

FIT U. 19 LEGGE FORMS - ETT.SY
(SOCISS)
PIG Red Pri 0. 19 LLK. Active Fund 10.94 (200c85)
Leveraged Opportunity Trust PLCZer Ope
Con Ures Ln Six 95:39 - 255 (240c8)
London & St Lawrence Investment PLC
Ord 5p - 107
Merchants Trust PLC4%% Cure Pri Six E1
- 57% (250c89)
Lethopoistan Trust PLC5% Cure Pri Six E1
- 47%

Metropolism Trust Plus -470

Winerals ObsEres She Fund Inc\$0.10 --

\$13.81 (200c89) ubtrust PLCWarrants to sub for Ord -

Multitust PLCWarrants to 10 (240,025)
10 (240,025)
New Guernsey Becurines Trust LeOrd 25p
- 76 (240,031)
kwest Trust PLCOrd 10p

- 47% 8
Warrants to sub for Ord - 20 (250c58)
Rights and Issues Inv Trust PLC79%
Cam Pri 51 - 75 (440c8)
St Andrew Trust PLC5%% Cam Pri Sit 55 (240c89)

Scottish Essiem for Trust PLC4YM Cum Pri Six - 550 911- Dab Six 2020 - 586 % %

(200c89) cotain Investment Trust PLC3.5% Cura. Pld Std - 554% (250c89) 3.85% Cura Pld Std - 559% (250c89) 4.55% Cura "A" Pld Std - 6270% (250c89)

(250/229)
Scottish Hational Trust PLC6% Cum Pri
£1 - 58 (250/259)
Second Aliance Trust PLC4%% Cum Pri
Stit - £90 100

Sits - ESO 100
Securities Trust of Scotland PLC7% Deb Sit 88/93 - ESS (230c89)
Shines Investment PLCWarrants to sub for Ord - 45 (240c89)
Sphere Investment Trust PLC5% Com Pri

Sphere investment Trass Page 1 - 80 (250:268)
TR Australie Investment Trass PLC5%
Coan Prt Six - CS7
Transle Rus Investment Trass PLC4.2%

Temple Bar Investment Trust PLC4.2%
Com Prf Sak E1 - 73 (230c89)
Varbage Seaumies PLCWarments to sub
lay Ord - 77 (240c89)
Witzn Investment Co PLC6% Deb Sit
96:99 - 884 (240c89)

M.E. G. American Smaller Co's Fund Accum Units - 66.7 (240e89) N.E. S. European Devidend Fundlist Units

- 45.4 Accum Units - 48.7 (240c89) M.A. B.Gold & Deneral Fund Accum Units

Mines - Miscellaneous

- 49.7 M.S. G. Interretional Income Funding Units - 72.8●

Unit Trusts

Plantations No. of bargains included 16 Angio-Eastern Ptantations PLCWarrants to sub for Ord - 30 (230089) 124% Uns Ln Sik 96/89 - 236 (230089) Natington Corporation PLCWerrents to sub for Ord – 50 (250c89) 8W% Cum Red Pril 21 – 100 Joneolidated Plantations Berhad\$M0.50 -

Consolidated Plantations Serhed\$40.50 - 75 (250.68) Dunion Pentations Lift% Cam Prf £1 - 55 Hidong Estate PLCOrd 10p - 120.38 50 Jitra Pubber Plantations PLCStit 10p - 45 Western Doors Tea Hidos PLCOrd £1 - 940 40 (250.68)

Shipping No. of bargains included 188 Bergesen d-y AS B* Non Vig She NKS - NC257 8% 31.16 NC257 8% 31.16 NFC PLCVer Vig Ord Sp - \$1.86 p 242 3

Utilities No. of burgains includeds Cationis Energy Co IncShs of Com Six \$0.0675 - 27% (230c89) FPL Group IncShs of Com Six \$0.01 ~ \$12% (240c89) Felicitows Dock & Railway Co Pri Units -1108 9 (230c89) GTE CorporationCum Six \$0.10 - \$84%

Mig Debs(Reg) - £35 (240c89) 3%% Perp Deb Stk - £35 (240c89) Water Works No. of bergains locked

Essex Water Co7%% Deb Six 91/93 ~ £85 (23Oc69) EBS (230c69)

#fd-Southern Water Co 10% fied Deb S8:
92/94 - 532 (230c89)
North Surrey Water Co 95/4% fied Deb S6:
94/96 - 532 (230c89)
Portamouth Water Co 3/5/4/Fmly 5%4/Ord
S8: - 51225 300 (250c89)
Fickmanteworth Water Co 2/5/4/Fmly
4%4/Cors Pri 58: - 536
York Waterworks Co 3/5/4/Fmly
4%4/Cors Pri 58: - 536

Miscellaneous Warrants USM Appendix

Citysision PLC8.574(Ped) Carr Libra, root Fra E1 = 185 (250C89) Continental Microwave (18dgs) PLC8.0% CW Curn Red Pri 2005 E1 = 80 (200C89) Cooper Clarke Group PLCOrd 10p = 90 (250C89)

Conton Beach PLC7.5p (Net) Cnv Curs

Railways No. of bargeins included 1 Ontario & Quebec RaBiney Co5% Perm Deb Stiellet Gtd by C.P.) - £40

4 8 Paninsular & Oriental Steam Nav Co5% Cum Pid Stk - 250 Warrants to purchase Did Stk - 145 (250c89) 3%% 2nd Deb Stk(Perp) - \$30 (240c89)

TE Corporation Cum St. 58.79 - 30-79 (20058)
ersey Electricity Co Ld*R* Ord £1 - 476 (230089)
functionals Steip Capiel Co 1st 3%% Perp

No. of bergains included 5
Bristol Waterworks Co 3.5%(Finity 5%)Cons.
PH 58x - ±400 (25C-69)
Cambridge Water Co 3.5%(Finity 5%)Cons.
Ord Sib. - £1350 (24C-68)
Chaster Waterworks Co 5% Red Pri Sib.
1992 - £189% 70 (24C-68)
Coline Velley Water Co 2.5%(Finity 4%)Cons.
Pri Six - £1000 (25C-68)
4.025%(Finity 5%%)Pad Pri Sib. 88/93 - £77

York Waterworks Co3.5% Febry 5% (Next. DivjOrd Str. - £1380 •

Berkers Trust international Lowis Ret to Ord She in Glaco Hidge PLC - £0.22

BLP Group PLCSp (Hel) Criv Cum Red Pri 10p - 78 80 1 (250:89) Beckenham Group PLCWarmots to sub Beclightem Group PLCWirments to subtool or Ord = 32
9% Red Com Non-Vig Pri 21 = 91
(250:59)
Bires Industries PLC9.5% Cre Une Lin
36: 1991 = 2175
Bossnore International PLCOrd 16p ~ 120
Brandon Here PLCOrd 10p = 71 (250:689)
Cambridge Group PLC Ord IR20.05 = 820.75
New Ord IR20.05(PpiEA-2/11/89) ~ 120.75 p 87
CT = 125 (250:689) Cre Cum Red Pri
CT = 185 (250:689)

Genton Basich PLU 7-39 preus of State Pri 10p - 82
Darby Group PLC Ord 5p - 105
Dawey Warren Hidgs PLC Var Rate Crev
Uns Lin Skt 1985 - E36 (250c85)
Essex Furnitus PLC Naw Ord 5p (Fp/AL-8/11/89) - 44 8 FBD Holdings PLC Ord 1/20.50 - 821 Gibbs Mew PLCOrd 25p - 290 Great Southern Group PLC6,75p Com City Red Pri 5p - 33% 90 (240c85) Midlend & Scottish Resources PLCOrd 10p - 142 Milwell Holdings PLCOrd 1p - 22 New Ord 1p (FP/AL-1/11/89) - 20 % 1

2%‡ Quarto Group Inc Shs of Com Stk \$0.10 (Rest, Transfer) - 152 (Rest, Transfer) - 152 (esort Hotels PLC New Ord 10p - 18 (240c99) Resort Holes PLC New Cat 169
(24009)
Savage Group PLC6.5% (Net) Cust Net
Cav Pri 21 – 63%
Selectiv PLCOrd 1p – 12%
Steidon Jones PLC Ord 25p – 63 8
Thorpec Group PLC9D Criv Red Prig Pri
2001/05 50p – 90 (240089)
Vistec Group PLCOrd 1p – 17% 9 %
Wyerwise Gerden Centres PLC8.5% (Net)
Criv Guss Red Pri 21 – 134 (230089)
Viste Criv Guss Red Pri 21 – 134 (230089)
Viste PlCOrd 120.5 – 180.83
100.84 p 80 2
Yelverton Investments PLC8% Criv Unis
Lin Ski 1997 – 260 Yelverton Investments Published Lin Sik 1997 - 250
York Trust Group PLCRed Cum Crw Pri 20p - 73 (250c89)

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 $(x_1 - \overline{x} + \overline{x})$

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The Third Market Appendix No. of bergelns included 161
Glenotr Explorations PLCOrd in20.02 1/2
- 120.41 p 37
Mackings PLCWarranta to sub for Ord - 95 101;
Poddington PLCOrd 5p - 70 %‡ 3 3‡ 4‡
% 5 8‡ 5‡ %‡ 8 %‡

Rule 535(2) Actes Carr PLC"A" Ord 25p - 80.13 10059) FIS & Co PLC"B" Ord £1 - £19% Advants & CO PLL To Live 20%
(230,089)
Artican Gold PLCOrd tp - 20%
Alfied Leather Industries PLCOrd 10p 51.3 1% (230,089)
Assiyais Holdings PLCOrd 20p - 20.26
(230,089)
Ann Street Breweries Co La Ord £1 - £5.9
Cav Red 2nd Pri £1 - £14 (230,089)
Berwick Group PLCOrd 5p - 50,365 0,365
Bleeddies Computer Systems PLCOrd 1p - 50,015 Channel Islands Coxes (TV) LdOrd 5p ~ £0.65 (20Cc89) Conister Trust LdOrd 25p ~ £0.8 (250c89) Gander River Resources PLCOrd 5p ~ 20.12 Gillow PLCOrd £1 – £1 (240c69) 5% Cav Prt £1 – £0.2 (240c69) Grampian Television PLCOrd 10p – £0.73 (250c69) (290c69)
Guerray Cas Ught Co LoCrd 21 - 26% (200c69)
Guerray Cas Ught Co LoCrd 21 - 26% (200c69)
Guerray Cas Co LdOrd 10p - 22.30
Jersey Cas Co LdOrd 10p - 20.24
Jersey Cas Co LdOrd 10p - 20.23
Jersey Cas Co LdOrd 10p - 22.30
Jersey Cas Co LdOrd 10p - 22

Litterwoods Organisation Lo 12% 25 Cu
Pri ST - ST 250Ces
Pri ST - ST 250Ces
July Strannia International Lo Japan
Income & Tarouth - 22.578
Inchester United Foutball Cub LdOrd
ST - 220P
ST - 220P
ST - 220P E1 - 2200 errett Hidge PLCOrd 18p - E1.7 ewspeper Publishing PLCOrd 1p - 25 (29Oc89) with West Exploration PLCOrd 20p + 15 North West Exploration PLCOrd 20p = 15, (230-689)
Partitler Securities PLCOrd 25p = 25.1 (240-89)
Resigner Football Club PLCOrd 21 = 275 (240-89)
Shickler Research LidOrd 25p = 20.58 0.58 - 8.6 (250-89)
South Quey Investment LidCt = 215, (250-89)
Southern Radio Hidge PLCOrd 21 = 211 (250-89) (250c89) Invalues/Darwell& Co PLCOrd 25p ~ £2.69© Fransedenic Hidgs PLC Pld Ord 50p ~ 291% (200c89) Mostable LdrA* Non.V Ord 25p ~ £5.4 (250c89)

. . . . HELICOPTERS

The Financial Times proposes to publish this survey on:

21st November 1989

For a full editorial synopsis and advertisement details, please contact:

> Ian Ely-Corbett on 01-873 3389

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Number One Southwark Bridge London SEI 9HL

FINANCIAL TIMES

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FINANCIALTIMES

LONDON STOCK EXCHANGE

Heavy losses in gilts and equities

THE UK securities markets suffered hefty losses in both Covarnment bonds and ordinary shares yesterday as they struggled to assess the prospects for sterling and domestic internet rates in the feat of the interest rates in the face of the political storm raised by the change of Chancellors of the Exchequer in the British Gov-

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The pressures on the pound, although strongly resisted yesterday by the Bank of England, raised fears that either domestic interest rates may yet be forced higher again or that overseas investors may begin to sell UK securities because of Currency worry.

UK government bonds feil a

Ассрия	Dealing	Dates
Titet Deallage: Oct 16	Oct 30	Nov 13
Option Declarate Oct 25	Hov 9	Nov 23
Last Denlinger Oct 27	Nov 10	Nov 24
Account Day: Nov 6	Nev 20	Dec 4
time the death	ga stery lake tage digts a	Place Desp riter

couple of points and failed to make good their losses, although the Bank of England was forced to intervene to buy in gilt-edged stock to support the market. Government bonds rallied slightly in the afternoon on the back of sterling's performance and some bargai ing. However, gilte finished just short of the day's lows, after it had become clear the Bank was not going to immedi-ately raise interest rates above

15 per cent. The equity market suffered a loss of nearly 50 points to close at its lowest level since April 25, hut traders congratulated themselves on having avoided the worst of the nightmares conjured up overnight

The market was marked down by the equivalent of about 90 Footsio points before the first official reading of minus 39.8, with marketmakers largely successful in warding off would-be sellers. In fact off would-be sellers. In fact, there was come institutional buying at the lower levels, and

the market railled successfully in modest trading. Later, as sterling steadled for a time, institutional buying of equities

The final reading showed the FT-SE Index down 47.3 at 2,082.1, with ahares shading easier in the final hour, when the new equity Account opened in the face of a poor start by Wall Street. Seaq volume of 840.8m shares, was distorted by a 150m share placing of Barbican Holdings, a gamma or thinly-traded stock, but still high by the standard

of recent trading sessions. The FT-SE has fallen by 151.8 points, or 6.8 per cent over the two week Account which

closed last night. The setback which has been triggered by which has been triggered by worries over the sconomic outlook in the UK quickened this week as the political crisis followed news of another heavy monthly deficit on UK trade, poor trading figures from ICI and a series of losses on Wall Street. The Footsle shed 97 routs over the week.

points over the week. Equity traders expect the market to face further severe testing next week as the battle over aterling continues. UK funds are believed to be satisfied with the current valuation of equities, and prepared to ride out the storm - at least for the present But overseas investors are more nervous.

closing levele before the

traded on signs that investors had begun to recover their

nerve and start buying again.

Indeed, the volume traded, 6.2m shares, prompted specula-tion that the Belzberg brothers,

the Canadian arbitrageurs, may have been raising their

stake in Asda.
Howaver, the activity
seemed mainly to be due to

brisk two-way trading with investors hoping to buy at the lower levels, while most deal-ers doubted the Belzberg hrothers had been in the mar-

ket. Asda closed down 6 at

gains as an aggressive buyer

buying came at a time of stock

shortage and was accompanied

by some bld speculation as well. It closed up 7 at 236.

sensitive to the possibility of further rises in interest rates,

took a pasting at the outset but

ended the day well above their

lowest levels.
Worries about higher inter-

est rates hung over the stores sector for most of the day even

though rates were eventually left. Marks & Spencer led the

sector down as some worries remained after Morgan Stan-

ley's mildly negative comment

on Thursday to investors. The

approach of the company's interim results on Tuesday was a source of some uncertainty.

On the release of its interim results last year, M&S said it hoped the rise in interest rates

The building sectors, highly

emerged at around 220p. The

Fitch Levell managed to post

FINANCIAL TIMES STOCK INDICES 83.75 85.21 84.88 84,66 93.20 105.4 50.53 (19/10) (28/11/47) (3/1/75) 1447.8 (3/1) 734.7 43.5 (15/2/83) (26/10/71) 154.7 (17/2) 1782.8 2443.4 986.9 (3/1) (16/7/87) (23/7/84) Basis 100 Govt. Secs 15/10/26, Fixed Int. 193 Ordinary 1/7/35, Gold mines 12/9/55. Basis 10 F7-SE 100 31/12/53. ☆ Nit 10.12 Ord, Olv. Yield Eerning Yiq ‰(tuli) P/E Retio(Net)(☆) 22,058 738,31 21,107 379,7 20,020 789.28 20,536 336.2 GILT EDGED ACTIVITY 23,239 631.05 21,323 28,208 1140.0 Gilt Edged Bargains 96.8 107.3 Ordinary Share Index. Hourly changes Day's High 1692.5 Day's Low 1577.5 S-Day severage SE Activity 1974, (Excluding infra-market business & Overses turnover, Calculation of the FT indices of daily Equity Bargains and Equity Velve and of the Re-day sverages of Equity Bargains and Equity Velve, was disconstinued on July 31. Closing values for July 28 evallable on request. London report and letset Share Index Tel. 0895 125001. Open 10 s.m. 11 s.m. 12 p.m. 1 p.m. 1686.7 1686.7 1686.7 1686.7 1686.4 1690.4 3 p.m. 4 p.m. 1686.5 1685 B Day's High 2099.6 Day's Low 2080.8 FT-SE. Hourty changes Open 10 s.m. 11 s.m. 12 p.m. 2089.6 2086.2 1 p.m. 2 p.m. 2095.7

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for most Alpha accurities dealt through the SEAQ system yesterday until 5 pm

Traders narrow ICI deals

Trading in ICI, one of the market's moet widely held stocks, mirrored experiences elsewhere in equities as traders reacted to the overnight developments on the UK politi-cal front. The day's first quotations saw ICI stock nearly 50 down at 1050p with some mar-ketmakers widening their quoted price spreads and low-ering the size of bargain in which they were prepared to trade, all in an attempt to avoid the sellers. In fact good quality buyers appeared but were unable to buy stock in useful size.

Later, when the equity market steadied, lCI staged a recovery, although much of the business was left to the handful of large marketmakers quoting 10p spreads and 25,000 share bargain sizes. Seaq volume in ICI, harely over im shares at mid-afternoon, jumped in late trading to return a final total of 5.4m.

Despite continued disenchantment with its third-quar-ter trading result disclosed on Thursday, and the market's reaction to the political changes in the UK Government, ICI ended the day only 11 lower at 1086p.

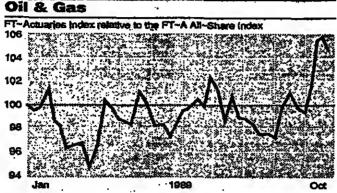
Gas in demand

The privatisation stocks were among the market's busi-est, and British Gas were heavily traded with some 20m shares changing hands in extremely busy two-way trade, The British Gas share price was hit by numerous factors. and fell sharply to touch 1839, Jaguar shares rose 5 to 7259 before steadying and closing a on 3 im after confirmation that net 7 lower at 185%p. Ford of America has increased

Dealers and analysts said that the share price fell primar-ily because of the "political factor," with the resignation of the Chancellor of the Exchequer adding to the problems facing the government. As Mr Fergus MacLeod of BZW put it:

NEW HIGHS AND "Up to now there has been no element of worry allowing for a Labour victory in the next election; in the past the Labour party has talked of constraints on dividend payments on for-mer nationalised industries and today the market has realised the Tories may just lose the next election." Mr Philip Lambert at Klein-

wort Benson also pointed to the political angle, but he added the possibility that the current state of uncertainty in tha equity market might well mean an increase in the yield on the soon-to-be-privatised water stocks. This would mean the Gas share price would have to come down. But he also made the point that Gas is currently on a prospective yield of 7.3 per cent, well ahead of the



of 10 per cent dividend growth. Added to the political risks, dealers said, ware concerns that OFGAS, the official gas regulatory body, "cutting up rough with Gas," as one put it, and to competition in the gas market: from the Esso/Shell partnership announced earlier in the week.

Oil stocks, although lower across the board, were said by dealers to have held up well against the rest of the market. "The performance," said Mr Nick Clayton at Smith New Court, "highlights the defensive characteristics of oils -they are dollar earners and big beneficiaries of sterling's weakness, have little exposure to debt in the UK and have solid fundamentals." Kleinwort Benson said the

international nature of the oil majors means they are not affected in any hig way by domestic woes and that they have been held up by the performance of oils on Wall Street. Kleinwort also stressed the asset values of the smaller oil companies. BZW said one of the main reasons for the recognition of the sector's defensive qualities is the greater feeling of medium-term optimistic outlook for oil prices.

its holding from 12.45 per cent to 13.2 per cent and is likely to increase this further to 15 per cent. Dealers said the next

HOR (6) VINGERICVIER (2) RYSECS (241)

bid for Jaguar from General Polly Peck closed a net 2 lower at 380p, after extremes of 314p and 335p, following news it has acquired a 51 per cent-stake in Sansul, the Japanese audio electronics group.

Land Securities fell 15 to

494p, while MEPC dipped 18 to 490p. Bucking the market trend were Hammerson "A." The shares edged up to 766p. One analyst said marketmakers had switched from being short to running neutral books and any small order could easily boost International City Holdings

(ICH), the money broker, were among the market's best performers, the shares adding 9 at 54p after news that a company called Domeaction is seeking ions which could lead to a bid for ICH. Domeaction, run by Mr Michael Phelan and Mr Patrick Coffey, said it has an option to buy 2.7m ICH shares, equivalent to 4 per cent of the company, Any offer for ICH would be subject to Bank of England approval, Domeaction said. ICH were involved in unsuccessful bid talks earlier

Merchant banks fell back after the excitement generated on Thursday by news that Willis Faber had conditionally agreed to sell its 20.4 per cent stake in Morgan Grenfell to Banque Indosuez. Morgan Grenfell held at 400p with the markst still unsure of the French banks ultimate inten-

NEW HIGHS AND LOWS FOR 1989

tion towarde Morgan. The slump in share prices and market confidence dented SQ Warburg, which owns SG Warburg Securities, one of the market's top marketmaking firms, fell 21

market's most resolute sectors.
There has been very little in
the way of selling, just an initial mark down with amall
buying interest following up." said one trader. Pearl fell 13 to 621p awaiting the company's own appraisal value which dealers reckon will bring an increased offer from Australian Mutual, currently bidding 605p share for Pearl. Refuge closed only a fraction easier at 653p. still sustained by talk

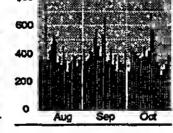
stocks showing a rise on the day in Commercial Union (CU).

Tesco was actively traded on talk that it may be a potential hidder for Amoco's UK petrol stations. Some traders pointed to France where leading food retailers also own petrol sta-tions. They said Tesco might consider buying the stations and operate them as a loss leader in order to generate business for its supermarket

believed it unlikely for Tesco to move outside its core busi-ness. Tesco had managed to edge back towards Thursday's.



Equity Shares Traded Turnover by volume (million)



SERITISH PUREDS (8) AMERISANS (2) SAJECS (7) BEFFERES (1) BURLINESS (18) CHERICALS (18) STORES (12) ELECTRICALS (18) STORES (12) ELECTRICALS (19) STORES (12) POODS (15) MOTELS (2) SERIESTRIALS (39) AAF Inte., Alided Plant, Alumesc, Amer Cp., Applio Watch, 83A, Seazer, Souster, Brautore, Britanic, Cheri, Armetron, Colorol, Courtory Popa, Derby, Davis Godfrey, Dyeon (JALI) "A", Eleco. All Share Index

1150

1100

Forwald, Grapping, Granada, Do. 7 bpc
Cv., Halis Homes & Góns, Hempson 6.5p
Pf 196 (2003, Harding, Nigh-Poins, Beas,
Just Pubber, Keismuszon, Kristniew (A),
Uncel, Lyros, Morurus, Olfice & Elect., Opt.
A, Med., Paucros-Repola, Sais Tilray, Synde
A, Do. Ln 1960/18, Spandas, Sing Furnburg
A, Do. Ln 1960/18, Spandas, Sing Furnburg
Stat-Plas, Spandas, Sing Furnburg
Stat-Plas, Spandas, Sing Furnburg
TLS Frange, Violen, Westerly, Yale & Valor,
BRISHARDE (1) LESSURE (3) MOTORS (3)
NEWSPARPERS (3) PAPERS (3) PROPERTY
(24) TERFRIES (4) TRAMSFORT (3) TRAMSFORT
(3) OULS (3) OVERSEAS TRADERS (1)
MESSES (1) TriphD BARRICT (9). RISES AND FALLS y On the week Same Rises Falls Same 1 346 130 38 29 39 18 155 355 1,399 3,316 3,295 102 15

10

1,451 180 38 690 115 1,235 1 423 1.822 780 3.042 5.585 8.105

closing levele before the Amoco epeculation knocked it back down again.

Still providing some support though was talk on Thursday that a UK securities house had recommended a switch out of Argyli and into Tesco. Tesco closed down 7 at 180m m. a Insurances were said hy dealers to have been one of the closed down 7 at 180p on a turnover of 6.2m shares, while Argyll dropped 6 to 213p. Aeda was also activaly

that there are at least two determined buyers of the stock in the market; Athena, the French last declared its stake at 9.34 per cent.
Composites provided the Footsie with one of the two

CU shares were strongly sup-ported and closed 1½ higher at 449p on turnover of 2.5m which was boosted considerably by a single trade of 800,000 shares struck some 30 minutes before the close; there was talk of stake-building in CU where fel-low-composite Sun Alliance has a 14.5 per cent holding, largely purchased a couple of months ago from the John Spalvins-run Adsteam group.

However, most traders

LEADERS AND LAGGARDS Percentage changes since December 30 1988 based on Thursday October 26 1989

+	42.20	Chemicals +	12
+		Transport+	12
Ince(Life)		Machanical Engineering +	12
a Household Products +		Leisure+	12
Retailing +		Textiles	10
ment Trusts		Mining Finance	10
ets and Distillers		Capital Goods+	
Ant Banks		Financial Group +	- 5
Mines Index		Stores	
Crnerates +		Banks+	ŧ
Gas+		Electronics +	7
Industrial Materials +		Electricals +	7
Ince(Composite)+		Talephone Networks+	7
Groups+		Publishing & Printing+	•
Uner Group +		Building Materials+	:
here hotex +		Overstes Traders+	7
trial Group+		Packaging & Paper +	(

were hammered at the outset

would "only be required in the short term." Although analysts expect a strong rise in profits there have been worries that even M&S will not be able to avoid entirely the impact of higher interest rates.

Estimates for pre-tax profits are bunched around £200m, compared with £185m last year. Mr Bill Currie of Hoare Govett said profits were set to rise due to strong sales and tight control of costs. But he added that earnings from Brooks Brothers, its US subsidiary, "could be flat if not down." M&S closed down . 10% at

177%p. Great Universal Stores slipped back in early trading on worries about its mail order business. But the market soon recovered its composure and decided its doubts may have been misplaced. Gns "A" closed down 14 at 1015p after opening at 983p.

The front-line electronics

ited - it's just a question of waiting for the bid, which will with dealers marking share prices sharply lower. But little in the way of heavy selling ensued and prices rallied modanalyst estly before easing just before Star Computer shares moved the close Stocks with substantial US holders were badly affected, with dealers respon

ing to overnight US selling pressure. British Telecom, also upset by worries that a Labour general election victory could have a substantial impact on dividend payments, closed a net 10 off at 250p, after 247p, on turnover of 7.7m and Cable & Wireless lost 26 to 465p, after 463p, on 5.2m.

Racal Electronic, where 10m changed hands, closed 5 off at 219p on 10m shares.GEC. regarded by many as one of the sector's defensive stocks, closed 4 easier at 217p on 3.6m. Ferranti were one of the few good performers, the shares closing steady at 56p on 6.8m; "the downside in these is lim-

not be below the current share price, to materialise," said one

erratically after the company revealed a £930,000 loss for the year compared with a £1.21m profit the previous year. Quoted at 53p immediately prior to the results the shares subsequently nosedived to 25p, albeit for only a matter of min-utes, before etaging a determined recovery to touch 60p, apparently boosted by bid sto-ries, and then closing a volatile session unchanged on balance

But a trader in the stock emphasised that trading in the shares had been extremely thin.

Othar market statietics, including the FT-Actuaries Share Index and London Traded Options, Page 9

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APPOINTMENTS

Metals & Metal Forming ...

BENCHMARK GOVERNMENT BONDS 104-18 -20/32 11.59 11.56 95-05 -35/32 10.64 10.83 83-26 -54/32 9.72 9.65 100-18 -7/32 7.81 7.92 102-16 -2/32 7.93 7.94 8,000 8/99 8.29 8/19 95.2294 -0.109 5.41 103.6206 -0.682 5.30 98.0600 -0.050 7.03 7.01 7.01 FRANCE BTAN 9.000 7/94 95.2187 -0.084 8.27 9.24 8.04 CAT 8.125 5/98 95.3200 -0.360 8.65 8.79 8.72 CANADA ' 8.500 10/98 100.1250 0.225 8.48 S.46 S.80 7.250 7/99 98.7700 -0.030 7.43 7.41 7.53 AUSTRALIA 12.000 7/99 91.4642 +0.004 13.60 13.70 13.44 London closing, 'denotes New York morning session Yields: Local market standard Prices: US, UK in 32nds., others in decimal

Technical Data/ATLAS Price Source

WEEK IN THE MARKETS

Sterling fall confuses price trends

THE SLIDE in the value of sterling which followed the resignation on Thursday of Nigel Lawson as Britain's Chancellor worries about the supply situaof the Exchequer served only to comfuse the bearish picture that was already apparent on the London Metal Exchange. Most dollar-denominated prices came under further pressure vesterday while copper and lead, both quoted in sterling, were enabled to recover some of their lost ground.

At the London Futures and Options Exchange, meanwhile, the currency factor could not prevent the sterling-denominated London cocoa futures contract dipping to a fresh 14-year low during the day, but it helped it to move somewhat higher at the close. London coffee futures, also quoted in star-ling, regained come ground yseterday but still finished lower on the week. While the dollar was gaining

ground against the retreating pound, however, it was slipping back against most other leading currencies, and that factor helped the dollar-denom-

factor helped the dollar-denominated gold price to climb to a four-month high yesterday.

The overall trend of LME base metals prices this week owed much to the tone in copper, its flagship contract. With the long-running Highland Valley strike in British Columbia

worries about the supply situa-tion were reflected in a sharp fall in copper prices. The cash quotation dipped to a 3½-month low on Thursday before gaining £43 yesterday to close the week £105 down on balance at £1,729 a tonne. With the three monthe position falling only £87 on the week the cash premium narrowed by £18 to £11.50 a tonne. £11.50 a tonne.

Zinc more or less followed this trend with epecial high grade metal, which now accounts for the bulk of trading, finishing unchanged on the day, but \$66 down on the week, in the cash position at \$1,545 a tonne. But aluminium and tin prices continued to decline, ending with cash price decline, ending with cash price falls on the week of \$90 and \$177.50 a tonne respectively. The closing cash tin price of \$7.660 a tonne was the lowest since the LME relaunched the contract on lune 2 contract on June 2.

contract on June 2.

The nickel market was also weak, with cash metal dipping to a 19-month low of \$10,237.50 a tonne on Thursday before steadying yesterday to end \$187.50 down on the week at \$10,250 a tonna. But traders said chart patterns were still pointing towards further falls. pointing towards further falls.
At the London hullion

exchange yesterday the gold price gained \$5 to \$374 a troy ounce — the highest closing level for exactly four monthe — in response to falling stock markets in the US and the UK as well as the dollar's week-

Mr Neil Buxton, of Shearson Lehman Hutton's London met-als team said that gold had-been helped through \$370 because this time there was no producer selling — a factor which held it below that level on the recent Black Monday in the stock markets. On the demand side some US

on the nemann size some US commodity funds seemed to be switching from copper to gold.

Mr Buxton added, however, "Ws are not getting carried away. Gold's rally will be a long process. It might make its way to \$330 an ounce but it will taken some time to get

The London Futures and Options Exchange's cocce mar-ket rallied on Monday as some operators covered against ear-lier short sales. But the downward trend was quickly reas-serted, encouraged by talk of substantial Ivory Coast sales, and it took yesterday's cur-rency distortion to halt the slide. The cash price ended \$4 higher yasterday at £694 a tonne, but only after aliming to a 14-year low of £685 during early dealings.

Dealers did not seem to have been holding out much hope of a fresh initiative on cocoa price

anpport emerging from this week's meeting of the Cocca Producers' Alliance in Lome, the capital of Togo.

There was nothing in the way of fundamental news to excite the coffee futures mar-ket this week, but the sterling factor and a bout of short-covering brought a sharp turn-round in prices yesterday. The cash quotation ended the \$20 up at \$682 a tonne, for a rise of

\$2 on the week.
On London's International On London's International Petroleum Exchange crude oil futures responded to reports of rising production by from members of the Organisation of Petroleum Exporting Countries. But after diping to \$17.89 a harrel at Thursday's close the January futures price rallied yesterday to end the week at \$18.04 a harrel, down \$1 cents on balance.

cents on balance.
Rubber prices were little changed on the London physical market but a continued slida in Kuala Lumpur took the International Natural Rubber Organisation's daily indicator price below the point at which the organisation's buffer stock manager is permitted to begin support buying. Richard Mooney

Finance post at National & **Provincial**

M NATIONAL & PROVINCIAL BUILDING SOCIETY has appointed Mr Keith Starkey as finance director of its financial services subsidiary and head of group financial planning. He joins from Coppers & Lybrand Management Consultants, where he has been on secondment at the Building Societies Commission as assistant commissioner.

Mr Michael Todhunter has been appointed London advisor to the TASUDA TRUST AND BANKING CO. He is chairman of Clyde Shipping Co, a director of James Finlay and two of its subsidiaries, and of the Newbury Racecourse. M AER LINGUS has appointed Mr David Jackson as general manager - airline services (Britain).



Mr Dominic Houlder (above) has been appointed group strategy director of BLUE CIR-CLE INDUSTRIES, He was a sulting Group.



BARCLAYS DE ZOETE WEDD, merche the BZW Group, has appointed Mr John Padovan as deputy chairman; Mr Graham Pimlott (left) as chief executive of the merchant banking corporate finance division; and Mr Callum McCarthy (right) as deputy head of the corporate finance division and a managing director. Both Mr Pimlott and Mr McCarthy become directors of RZW. They join from Kleinwort Benson where they were directors.

Mr Alex de Gelsey, founder of Sericol, the printing inks division of BURMAH SPECIALITY CHEMICALS, is retiring as chief executive on October 31, but will continue as non-executive Mr Tom Kirk, deputy chief

executive becomes chief executive of the printing inks division and he will also join the board of Burmah Speciality Mr Bela Daranyi, chief

executive of Sericol's UK operations, is appointed deputy chief executive of the printing inks division and director Europe, thereby assuming additionally, responsibility for the mainland Europe

Mr Chris Dick has been appointed managing director of DECLAN KELLY HOMES (FRANCE) and DECLAN

KELLY HOMES. For the last 2% years he has been seconded by Bovis to Lehrer — McGovern Bovis, working on the project management of the Euro Disneyland project.

■ At CRODA INTERNATIONAL Mr Gunter Eggerstedt, formerly managing director of the company's German subsidiary, Kolmar Kosmetik (Deutschland), will rejoin the group on January

1 as managing director of the
cosmetics and toiletries sector
He will also join the board of
Croda International.

T&N has appointed Mr Neil Sharrock as managing director of TBA Industrial Products from November 1. He is managing director of Storeys
Decorative Products (formerly
part of the T&N Group), Mr
Shartock succeeds Mr Brian
Heron who retires in

Barclays Bank corporate directors

■ BARCLAYS BANK has appointed the following corporate directors: Mr David corporate directors: Mr David Casson, consumer industries, Mr John Clarke, primary industries, Mr Brian Page, technology, Mr David Thompson, food, drink and commodities, Mr Derek Arden, retail, Mr Anton Fawcett, controlled in finance Mr acquisition finance, Mr Richard Oliver, mining, Mr Peter Scott, property and construction, and Mr John Hopper, aerospace.

Mr Michael V. Heap has been named managing director of WARNER HOME VIDEO (WHV)/UK, a subsidiary of Warner Bros Inc. He was managing director of MGM/ UA Home Video (UK).

■ VALIN POLLEN has appointed Mr John Harben, former deputy managing director of Broad Street Associated Public Relations, as board director-designate and head of financial and corporate public relations



Mr Hiroyoshi Aoki (left), director and general manager, THE NIPPON CREDIT BANK, London branch, has been appointed corporate director for Japanese international customers, and is returning to Tokyo. He is succeeded by Mr Tatsuo Tabei (right), from the international securities divi-

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FINANCIAL TIMES

Weekend October 28/October 29 1989

Window & Door Systems for the World Market L.B.Plastics Limited Tel: 0773 852311

Amnesty for jailed East Germans

Costa Rica secures \$1bn debt relief deal

By David Goodhart in Bonn and Leslie Colit in Dresden

MR Egon Krenz, the new East German leader, yesterday announced an amnesty for all those currently in prison for attempting to leave the country illegally or for participating, non-violently, in recent demonstrations.

Western diplomats say the amnesty - the first concrete reform of his ten days in office - could lead to the release of several thousand prisoners.

The move, a response to the growing unrest within East Germany, was welcomed by Ms Baerbel Bohley, one of the founders of the opposition New Forum group. She described it as "an important first step" and "the first sign of what we

and the first sign of what we have been waiting for."
However, she also stressed that the opposition groups would not be dropping their demands for an independent inquiry into police brutality on October 7 and 8 in East Berlin and for open trials of those still

being charged.
Although Mr Krenz is no

COSTA RICA has reached an

agreement in principle for relief of \$1bn (£637m) on its \$1.5bn debt with private com-

mercial banks, the first such

deal with a country that is in

it includes a high level of debt

relief, and also a capitalisation

of past interest payments. President Oscar Arias made

the announcement in welcom-

ing US President George Bush to San José, the Costa Rican

capital, yesterday to attend a regional summit of 18 beads of

state this weekend.
Mr Arias said: "After many months of difficult negotia-

tions since I took office and

began negotiations with the private international banks, we

have arrived at an agreement

in principle for restructuring

the debt. As a result of this agreement we shall reduce our

foreign debt by approximately

This represents a very large

The deal is unusual because

arrears to the banks.

reformist by background or reputation, his first few days in office have been accompanied by a significant new openness towards opposition groups and more critical reporting in the official media.

Mr Krenz has also promised a relaxation of the current restrictions on travel to the West which is expected to be incorporated into a new travel law before the end of the year.

However, in a significant challenge to Mr Krenz, East German writers belonging to the prestigious PEN organisa-tion called for a total recon-struction of state institutions.

in a letter to the East German leader released by the official news agency ADN, they said a socialist society was unthinkable without a plurality of views. They warned that East Ger-

many could become a dangerous source of tension in Europe if sweeping reforms were not carried out.
The amnesty, starting on

reduction in proportion to the total level of debt. According to a senior official at Costa Rica's

central bank, the country's

debt to the commercial banks is about \$1.5bn, and total for-eign debt is \$4.6bn. Costa Rican

debt paper is presently being

traded at 20 per cent of its face

value on the secondary mar-

President Arias said that

annual interest payments on its commercial debt would be reduced from \$150m to \$50m.

on interest payments in 1986

and has been struggling since then to reach a definitive renegotiation of its commercial

debt, while continuing to

make only partial payments.

Interest arrears are now

Earlier this year Costa Rica achieved a precedent when the International Monetary Fund allowed it to use up to 25 per cent of a \$50m standby loan to

buy back its debt on the sec-

Costa Rica went into arrears



November 30, will effectively suspend the law which imposes a maximum sentence of eight years for illegal attempts to

The latest deal may set a

precedent for the main debtor

nations on the American conti-

nent - such as Brazil and Argentina - who have run

into arrears on interest pay-

arrears have not been consid-

ered for favourable treatment

under the US Brady Plan for

However, a US Treasury offi-cial stressed that the large scale of relief reflected both the

special conditions in Costa

Rica and would not be applica-

President Arias said the

agreement would not have been possible without the sup-port of President Bush, Mr

Nicholas Brady, the US Trea-sury Secretary, and Mr David Mulford, the US Treasury

undersecretary for Interna-tional Affairs.

as an "important support for

Mr Brady described the deal

Until now debtor nations in

ondary market.

debt relief.

ble to big debtors.

leave the country.

All those currently being charged, or due to pay fines, will also have their cases and punishments dropped. In the case of the amnesty for demonstrators, a clear exception is made for those charged with carrying weapons or using vio-

The amnesty may help to attract back a few of tha 50,000 plus East Germans who have escaped illegally to West Germany since tha beginning of September. According to East German TV more than 60 have returned in the past fort-night and many more would have done so but for "lies" from the West German Inner-German Relations Ministry, which has warned about possi-

ble prison sentences. Reuter in East Berlin adds: East Germany will on November 1 lift a ban on visa-free travel to Czechoslovakia. The ban was imposed earlier this month to stem the exodus of

Costa Rican reform programme, and an important

step forward in the strength-

Next on the list for the Brady Plan, the debt relief scheme named after the Trea-

sury Secretary, are Venezuela and Morocco. Chile expects to announce a cash buyback on its debt by the middle of next

President Bush described the debt renegotiation as a "signifi-

cant step."
He added that the US and

Latin America were moving towards "a new partnership of mutual respect and mutual responsibility and I am here

in San José to make it clear

to the democratic leaders of this bemisphere that we

embrace this new partner-

ship."
Mr Bush has tried to

promote amoother relations with Latin America than his

predecessor, Mr Ronald Rea-

people to the West.

BAe fails in court action to stop strikes

By Michael Smith, Labour Staff

STRIKES to spearhead a campaign for a 35-hour week in manufacturing look certain to go ahead from Monday after British Aerospace was yesterday refused High Court injunctions to present the second continuous at the court in the second continuous at the court in the second continuous at the second tions to prevent stoppages at

two of its plants.

BAe is thought unlikely to take up its right to challenge the decision of Mr Justice Schiemann in the Court of Appeal before Monday. How-ever, it may consider suing the unions for damages if the

strikes go ahead.
Rolls-Royce, the other company facing an indefinite strike from Monday, said it had no plans to seek injunctions against the unions. We do not think that legal action will prevent this dispute," it said. It was prepared for talks at plant level on hours reductions.

In the High Court, BAs said the strikes were illegal. It interpreted a rule in the consti-tution of the Confederation and Shipbuilding and Engineering Unions to mean that any strikes needed a two-thirds majority of voters.

In ballots at seven manufacting the seven manufa

turing plants owned by BAs, Rolls-Royce and Smiths Indus-tries, the total vote among both white-collar staff and blue-collar workers was 8,805 in favour and 7,576 against.
However, the confederation

successfully argued that, although it had co-ordinated the shorter working week cam-paign, each of the 13 minous which are its affiliates had conducted its own ballot.

At the three sites targeted for strikes - BAe in Chester and Preston and Rolls-Royce in Glasgow - all the unions taking part had achieved the majorities that their rules required in any case, the con-federation said, the unions were prepared to waive the two

thirds majority rule.

Although the judge accepted the confederation's argument, he did grant BAe an injunction to prevent the MSF general technical union from bringing out 218 manual workers at the

·This arose because, after last week's ballots, the unions decided to call strikes only among the 6,500 manual work ers at the three sites; white collar workers had overwhelm-

ingly rejected strike action.
MSF is predominantly white collar union but it also has manual worker members. The injunction was granted on the grounds that MSF had not balloted its manual and white collar sections individually.

Crocodile tears for Lawson

In spite of a 47-point fall in the FT-SE, the equity market was in a curiously good mood yesterday. It was as if the UK's economic problems had been wrapped up with Mr Lawson and bundled out of the door, leaving the market to contemleaving the market to contem-plate the discreet pleasures of devaluation. Base rates will stay at 15 per cent interven-tion will hold sterling between DM2.85 and DM2.90: the monetary relaxation implicit in a lower pound will stava off recession: and as exports accelerate the trade deficit will cor-rect itself and sterling will recover, thus leaving Mr Major

with all the credit.

It is all too easy to spot the flaws in this. For a start there is Wall Street, which had another downward lurch years. terday. The unpleasant sur-prises on earnings which lie-behind Wall Street's weakness could well start to surface in the UK, with Amstrad and ICI the forerunners. And, above all, it is by no means certain that sterling will behave. Its relative steadiness around DM2.90 yesterday did much to soothe equities; but with money market rates stack at the state of th over 15% per cent, it is not clear how long the foreign exchange market will tolerate

the refusal to raise base rates. Since none of this is news to the equity market, it is odd that sentiment should remain so robust. Granted, an institutional cash mountain of £25bn means that there is little hurry to sell. And while the market makers remain so unwilling to hold stock, there is still the risk that a market bounce will leave buyers behind. But though a rally is doubtless due eventually, it is hard to see what might cause it now. If anything, reasons for nervous-ness are likely to increase in the coming week.

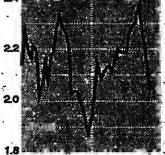
Sterling The battle for sterling has just begun. Yesterday's fall in the exchange rate looked dramatic, but most of the depreci-ation had occurred before Lonexchange rate finished the day where it started, with late weakness against the DM cushioned by a modest recovery against the dollar. But the relative calm is deceptive. Given the scale of the overnight fall in the pound, some traders were happy to take their profits and others were unwilling to commit themselves to big, short positions ahead of a

weekend. Next week will be a

far sterner test for the authori-

FT Index fell 42.0 to 1,678.5

Yield ratio



Given the magnitude of the political upheavals, the first reactions of the forex markets are not a particularly good guide. If sterling is going to be dumped in a hig way, foreign investment committees have to meet and arrive at a formal

decision. Contrary to what Mrs Thatcher may think, it is not the sort of action left to a few young cowboys on the trading desks.

desis.
Yesterday's endorsement by
the new Chancellor of the need
for a firm exchange rate is not
enough. The markets need to
know argently whether UK. exchange rate policy has become more permissive; the only way they can do this is by testing the authorities'

As the effective exchange rate has fallen by nearly 4 per cent since base rates were raised to 15 per cent three weeks ago, this should trigger another base rate rise if the authorities really are intent on maintaining a firm exchange rate. Given the current mood, there is not much difference between a free-floating pound and a free-falling one,

Wall Street

When boxers are knocked to the canvas, they are taught to The lesson might have been remembered by Wall Street weeks ago. Having bounced back too quickly on the Monday, it has been staggering about ever since. The problem is that the fundamentals are looking distinctly gloomy. The dollar's rise during 1989 has started to work lts way through to the trade figures, which now look set to deteriorate further. But much more serious is the threat of recession. Third quarter figures

have been disappointing and even in those aectors where had news was expected, such as motors, the chances of a short-term recovery look

slight. Even the apparently healthy third quarter economic growth figures contained the seeds of bad news. Around one percent-age point of the 2.5 per cent age point of the 25 per can increase was due to stock build-up; with much of the rest due to consumer demand artificially inflated by Detroit's discounted sales of old auto models. Thus the prospects for the fourth quarter look much less chamful.

cheerful.

The chances of recession have not yet been discounted by the market. In spite of falling every day this week, Wall Street is still only 7 per cent off its peak. Support for the market comes from the hope of lower interest rates, but the differential with German rates is normal enterpt already to is narrow enough already to suggest that the Fed's scope for easing is limited.

Polly Peck

Before the UK stock market succumbs to the ecstasy over Polly Peck which overcame two Japanese cabinet ministers yesterday, it should pause and think. The company's £69m purchase of a controlling stake in the loss-making Sausui andio equipment business looks a good move, but no more than that

Some London bulls say it is as much of a coup for Polly Peck'a electronics side as its recent Del Monte deal was for its fresh fruit operations. This seems too starry-eyed. First, Polly Peck must bring Sansui back into profit, which it hopes to do from mid-1990. Until then, it is hard to see why on this deal sione Polly Peck's shares should move much above fheir current rating of 7.4 times 1989 earnings, a multiple which assumes pre-tax profits this year of about

The immediate benefits lie in stay down to a count of eight. the Sansni name and in access to the Japanese market and Sensul's US and European dislem is that Sansoi is hardly a brand in the Toshiba class. If Polly Peck is to make this new asset sweat, it will have to add to Sansui's product range and bring costs sharply down. This can be done, but will take time. In the meanwhile, net gearing looks likely to rise to 125 per cent, raising the company's risk profile significantly until it sells its textile division and the ships it picked up along from a variety of industries with Del Monte.

3 5

Business as usual' continued from Page 1

By Tim Coone in San José and Peter Riddell in Washington

sion to resign. The Prime Minister yesterday completed the restructuring of her Government with the announcement that Mr Timothy Renton, a minister of state at the Home Office, had been appointed the Chief Whip in the Commons.

Brit Telecom Cable & Wire Department of Health, and his post was filled by Mrs Virginia Bottomley, who was promoted

from a junior post at Environ-Downing Street insisted that tha Prime Minister remained in confident mood, the message was that the changes in the three most senior cabinet posts eventually would strengthen

16 15

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team. It will be business as usual and we shall go steadily forward", Mrs Thatcher said.

Mr Kenneth Baker, the Con-servative party chairman, repeated the same point in a succession of media interviews, suggesting that Mr Lawson's daparture would remove a damaging source of personal

Mrs Thatcher publicly praised Mr Lawson's rola in

the Government's past economic successes Mr Lawson, who received a series of tributes from Conservative MPs, is understood to

have first discussed the possihility of resignation with close friends on Wednesday. He decided finally to leave

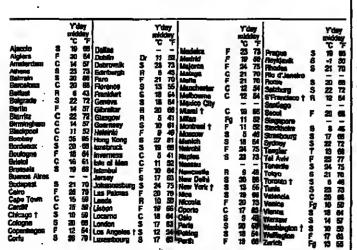
after Mrs Thatcher Indicated the following day that she would not dismiss Sir Alan Walters

Mr Renton was replaced by Mr David Mellor, who moved its authority. from a similar post at the "We have an excellent new

CHIEF PRICE CHANGES YESTERDAY

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New York prices at 12:	30.		

WORLDWIDE WEATHER



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Defeat of inflation continued from Page 1

painless, he said.
"The harsh truth is that if

the policy isn't hurting it isn't working. . . A declining exchange rate pushes up prices so I favour a firm exchange rate," he said.

However, operations by the Bank of England in the money, foreign exchange and glit-edged markets underlined the Government's determination to hold bank base rate at their current level of 15 per cent and intervene in markets to foster stability.

In London, the pound fell 8 pfennigs to DM2.8850, its lowest level against the D-Mark since March 1987, and 3.6 cents to \$1.5765. On the Bank's trade-weighted sterling index, the pound ended 1.9 points down at 88.2. In spite of the sharp fall in

the pound, Mr Major appeared confident that it was underpin-ned by economic fundamen-

Sterling against the D-Mark (DM per E)

2.90 FT-SE 100 Index



*Our tactics in the foreign exchange markets are designed to check fluctuations which to check fluctuations which level of 15 per cent, the Bank are of no economic signification offered funds to the money

"The budgetary position and the present level of interest rates are such as to keep the Gilts weakened primarily as foreign exchange rate firm," he

ised following Mr Lawson's res ignation. Mr Steven Bell, chief economist at Morgan Grenfell, said: "If the pound falls sharply, inflation goes up. The outlook is extraordinarily bear-

ish for gilts."

The Bank was forced to limit the damage and support the faltering gilts market as ster-ling made its falls. During its repeated currency

market intervention, the Bank sold European Currency Units and dollars for pounds. The US Federal Reserve bought ster-ling in New York on the

Bank's behalf. Traders said that the selling of sterling would have been worse but for the fact that the rency prior to Mr Lawson's unexpected resignation. In an unusual move to dem-

onstrate its determination to hold base rates at the current market at 15 per cent. Earlier, the kay three months interresult of uncertainty about bank money market rates were the sterling exchange rate, quoted as high as 15% per which immediately destabil-

Lawson praises Major Continued from Page 1

the City were betting yesterday that Mr Lawson is unlikely to be kicking his heels on the backbenches.

After more than six years as Chancellor he is unlikely to be short of lucrative boardroom offers. Mr Lawson's pay as Chancellor - £52,627 - would hardly tempt a minor player in the City let alone his new salary, as a humble MP, of

But there was no immediate sign that Mr Lawson would give up his seat. "He is collecting his thoughts together," said Mr Graham Smith, his local agent. The former Chancellor had given the Conservative Association thirty minntes' notice of his resignation. Mr Smith had been up all night. "But he has said, whether he is a minister or

Some at Westminster and in not, he will always be the Member for Blaby."

Mr Smith added "It is very sad. It is a great loss to the country. It is a great loss to the Government."

Contact between the Old Rectury and the outside world was via the association. Requests for interviews had poured in overnight and were faxed to the uncommunicative Mr Lawson.

Messages of support many to count - had helped. By the morning, Mr Lawson was his usual cheerful, chirpy self. He is just our Nigel," said Mr Smith. In Blaby, a rural constitu-

ency of villages, towns and rambling countryside, Mr Lawson has many friends. His majority at the last election was 22,176. I think he has been treated

rotten," said Mrs Kathy Gibby. "He must be feeling absolutely terrible about it."

Elsewhere in the High Street Lawson fans were not hard to find. Mr Harold Straw said: He is a very reasonable man. It is a great shame. It is Mrs T, isn't it, who dictates to every-

Mrs Winifred Goude said he should stand again at the next election - not slink off to a high-paid City job. It is a pity. He was doing the best of a had job. I'll vote for him." Mr Alfred Money added: 'I

don't think he should have been stabbed in the back. If he is trying to do a job, it takes all his concentration

At the constituency party headquarters, the portrait of Mr Lawson had been removed from his consulting room but only to be a prop on live

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LONDON BOSTON BERMUCA TOKYO SYCHEY HONG KONG TAIPEL JERSEY LUXEMBOURG

Two olés for democracy

N CANGAS, a grubby Galician fishing town just above Portugal's northern border with Spain, there is no point asking to see the mayor.

Louis Pena is not in his office and no one seems to know where he is. The town hall has been closed for weeks. The owner of a bar opposite says the mayor does slip into the building now and then, but only if guarded heavily. "He is scared," says the innkeeper, And with scared," says the innkeeper. And with good reason.

good reason.

In May this year, Pena, a socialist, tried to raise the municipal tax in Cangas. The place needs money spent on it. On June 1, the bells of the old Romanesque church opposite the town hall began to ring and the townspeople began to pour into the tiny square between them. They forced their way into the mayor's office and held him bostage there for days. Fighting broke out. The Civil Guard was called, 17 people

- 公司金河道:

Trans

ICNAL

 $\pi_{2}(2^{n}\mathbb{R}^{n})$

 $\mathbb{R}^{q^{-1/2}}$

17.

7

Pena refused to withdraw his new tax and the town was soon at war. His former wife, Angela Fernandez, already suffering profound depressions, also became a target of the hate campaign against the mayor and killed herself with an overdose of harbiturates. When Pena and his children were walking alongside her coffin at the funeral, they were stoned and kicked and funeral, they were stoned and kicked and beaten. He was put under 24-hour protection by the Civil Guard. When the Pope visited Galicia in Angust, all the police in the region were called in to protect him and Pena had to leave Cangas. Some people say he has never really come back. The war with the mayor will become folk-lore in Cangas one day. But Pena's fate is more than just another of the tragedies of which Spanish writers are so fond. This is the late-20th century. Spain —

This is the late-20th century. Spain -

timer fishing village in Asturias, laugh taxes, court rulings, polluted water or when asked why they did not complain to unwelcome forests - becomes a focus for their MPs about the stranger who, a year ago, planted 50,000 fast-growing eucalyptus trees on the hill that towers over their homes. They feared the trees would rob day. "Things lose their place," he says. them of a precious three hours of sunlight "What is bad is that there is no serious or when fully-grown. So, they slipped out one night — every one of them — and tore out the saplings. When the Civil Guard came round the next day to find those responsible come political institutions like the courts become political." Indeed, it can take years

Voters go to the polls tomorrow in the third general election since the death of Franco. Peter Bruce assesses the political state of the nation and concludes the system isn't doing its job

fishermen tore them out again. "Madrid?" asks Jorge, one of the leaders of the raids.

What's the point?"
In Vega de Infanzones, a one-horse town near Leon, people began to notice a dis-gusting smell coming from the Bernesga gusting smell coming from the Bernesga river that flows through the village. The culprit was a a chemicals plant 14 kilo-metres away operated by Montedison. Last July, the villagers stormed the plant and locked the managing director in his office for a few days. When still nothing was done, they threatened to throw the unfor-tunate man into the river. They were not joking, and the director knew it. "The river is still awful," says Apolinar Gonza-lez, one of the villagers, "but they have promised to spend 26bn pesetas (about £12.3m) cleaning it up."

Obviously, people power works - but the question is whether it should still be arguably, for the first time in its history—
is a stable, modern, parliamentary democracy, proof of which should be the general election (the third this decade) being held tomorrow.

Theoretically, the people of Cangas could have gone to court with their grievances, or they could have lobbied the Cortes (parliament) in Madrid. The fact that they did neither is a striking, if extreme, example of the fact that, just 14 years after the death of General Franco, the demo-

they did neither is a striking, if extreme, example of the fact that, just 14 years after the death of General Franco, the demo-cratic system is not doing its lob. They didn't try because they did not think it has failed signally to be a place to which the people can turn when they need help, nally slow and the deguties in the Cortes have practically no contact with the people can turn when they need help. The quality of deputies is poor and the lower House is almost always empty. In observe of delete and sown modest ple. the absence of debate and even modest
The 200 citizens of Tazones, an even opposition, practically anything — local

near-violent political action.

Alvaro Gil Robles, the government-appointed national ombudsman, sees it every ble, the entire village had the same story: for simple cases to come to court. And "I was in bed." When the entrepreneur although the number of judges has been replanted his trees a few months later, the doubled, the new appointees are inexperienced and, often, incapable. "Spain used to be a simple place and the justice system still reflects this," says Gil-Robles. "But Spain has grown incredibly quickly and there are many more conflicts. The court system has collapsed."

The postal system, too, is seriously

flawed: unions estimate that about 12m letters and parcels are missing or undelivered at any one time throughout the nation. The Françoist system, whereby all letters from inside or outside Spain to any letters from inside or outside Spain to anywhere in the country had first to pass through Madrid, has still not been modernised fully. And the telephones do not work, at a grave cost to the country's competitiveness. Telefonica, the blue-chip phone monopoly, has a waiting list of more than 500,000, and the fact that people buy its stock is a measure only of the government's determination to protect it from any competition.

any competition.

Building regulations are probably the source of greatest frustration among Spanish citizens – and of the greatest corrup-tion among a bureancracy which was, largely, bonest and professional under Franco. Whether true or not, it is accepted that a smell extra payment can speed up anything, from granting a building licence to re-painting the outside of a private home. The consequence of the change in regional policies for the autonomous regions is that the bureaucracy (and its capacity to complicate life) has been multi-plied in all 17 of them.

It is the almost complete absence of accountability, the arbitrariness of politi-cal and bureaucratic decisions, that infuri-ates Spaniards. The Cortes has become such a weak institution that the leader of one opposition party, former Prime Minis-ter Adolfo Suarez, refuses to attend unless Prime Minister Felipe Gonzalez is going to be there as well. He feels it is beneath him.

he blame for this lies squarely with Spain's electoral laws, drawn-up in a burry before the first democratic elections in 1977 and unchanged largely since then. After 40 years of dictatorship, the idea was to build strong political parties which probably would be forced to make coalitions in order to govern. The emergence of a domi-nant political force was to be averted at all costs, and a rigid system of proportional

representation was chosen.
What this created was the Socialist
Party, a finely-organised behemoth which won overall majorities in 1962 and again in 1986. As it has stamped its authority over Cortes and country, clever Spaniards who might otherwise have entered politics have drifted into business and the serious business of making money. The opposi-tion, particularly the Right, has fallen apart in despair and frustration. "The intellectual quality of the Spanish political class is now very low," the conservative politician says, "and party life is quite duil." Citing the present election campaign, practically devoid of issues and drowning in a sea of personal insults and empty promises, he adds: "We have become a Latin American democracy."



Deputies are nominated to lists by par-ties, and the people then vote the party ticket. The deputy's chances of election depend on his place on the list. But, once elected, deputies owe their political future to the person who nominated them. In the se of the socialists this is normally the job of Gonzalez' acerbic deputy, Alfonso Guerra, an old-stie party boss in the wheeler dealer tradition. Once in the Cortes, deputies of all parties keep quiet unless they are ordered to talk. They do not visit their constituents.

Gonzalez himself epitomises the dis-tance between politician and people. He almost never leaves his office in the Monclos palace in Madrid and his spectacular campaign appearances involve him merely stepping out from behind a stage to speak to the bussed-in multitudes, then disap-pearing behind it again. The style, com-mon among leaders of the Left and Right, is well-established in Spain.

Latin, perhaps, but Spaniards do not live in a banana republic. Unquestionably, their lives have improved with democracy. They are, arguably, the most liberated peo-ple in the world. "The people genuinely feel free," says Francisco Umbral, a cele-brated liberal writer and critic of the goverment. "Felipe has given them what they want. They are free to marry, to divorce,

to have abortions. You can only govern Spain as a social democrat; and because there is only one political system possible, and Gonzalez represents it, debate centres on personalities."

No-one has gone to jail for throwing stones at the mayor of Cangas, or for tear-ing-up eucalyptus trees, or locking a fac-tory manager in his office. The press can, and often does, accuse politicians of the most betnous corruption without fear of recrimination. But these freedoms have recrimination. But these freedoms have only made Spaniards more demanding. Gonzalez could well lose his majority tomorrow because he has calculated that, having given the people these personal liberties, they would turn a blind eye to the things he cannot (or will not) change. The socialists have made scarcely a dentily spaning traditionally lazy capitalism.

in Spain's traditionally lazy capitalism.
The banks still command the heights of the economy. Although they struggle to provide even the most basic services to ordinary people, they have been allowed to remain owners of most of the manufacturing industry still in Spanish hands. But they hold industry in obvious disdain; for most of them, their companies are play-things bought and sold according to the dictates of the mother bank's balance

As a result, Spanish manufacturers have

failed miserably to increase their share of world trade, or to improve their products, despite the phenomenal economic successes of the past three years. Corporate balance sheets have been re-structured but

balance sheets have been re-structured but the corporations still make the same faceless products they always have.

Neither has Gonzalez done much to rid Spain of its old image as a place where merit counts for little. Nepotism — or, at least, the appearance of it — in government is common. The Education Minister's brother used to be the chairman of Telefonica and now runs the national television service. The latter's wife runs a government-funded fashion agency. The Finance Minister'e wife works in his ministry. The Foreign Minister's brother is Spain's representative at the World Bank. istry. The Foreign Minister's brother is Spain's representative at the World Bank. The Governor of Madrid is the wife of the chairman of the national news agency. Efe. The chief civil servant in the labour ministry is married to the government's chief spokesperson. The Secretary of State for the Treasury is the brother-in-law of the president of the Securities Commission. There is much more. sion. There is much, much more.

o some extent, the socialists had little option when they came to government but to call on the loyal socialist "family" to fill jobs. And nepotism is as old as the hills in Spanish politics. But the government is now losing valuable people to the private sector as the lack of a party card puts paid to their career prospects.

A great many perfectly reasonable Spaniards believe their government is corrupt — unfair on Gonzalez because he is an honest man and obsessed with his job, almost to the point of being boring about it. But in a country where rumour, envy and resignation are long traditions, he has To some extent, the socialists had

and resignation are long traditions, he has done nothing to make the government around him whiter than white. Indeed, the election campaign has centred largely on charges that the socialists have made themselves rich in office. It does not mat-

ter that this is not true — it is believed.

According to the opinion polls, the turnout of voters tomorrow probably will fall
below 70 per cent for the first time since
Franco died. That is still high by any
standards, but it is hard to be comforted by the breezy reasoning of Gil-Robles:
"The important thing is to be able to
vote." It is, however, equally possible that
the people us longer feel it is worth voting.
Only older Spaniards remember Franco.
Dut there are nearly 2m people in Spain But there are nearly 2m people in Spain living below the poverty line; and no matter how desperately the government has tried to create the conditions for wealth by building roads and schools, it is not clos-

building roads and schools, it is not clos-ing the gap between rich and poor.

Gonzalez and the socialists have found it hard to get across the good news — that, yes, the country is an economic success but that modernising a decrepit nation is hard and slow. And, arguably, that is because they have failed to provide the elected, accountable, representatives to convey the message. convey the message.

There is another little village, near

Toledo, called Anchuras, close to which the Ministry of Defence decided to build a bombing range. Once again, the people felt it necessary to get out and fight for themselves. When the army set up tents on the range recently to begin work, the villagers went out in broad daylight to tear them

"They summoned me especially to Madrid to tell me what they were going to do," remembers Santiago Martin, the 26-year-old mayor of Anchuras. "They think they can just re-draw the map and forget we exist — but they didn't count on the strength of feeling in this village." Gonzalez, needless to say, has not campaigned near Anchuras this election.

The Long View

Making good use of a scapegoat

BY RESIGNING so dramatically on Thursday night, counted safely was baffling. ically on Thursday night, under the smokescreen of a contrived row over the role of Sir Alan Walters, Nigel Lawson might have turned himself neatly from a punchball into a scapegoat. For whatever happens now can be blamed on Lawson and his policies. It is a rare apportunity for the cov. rare opportunity for the gov-ernment to undertake some economic dirty work.

That is both the positive promise and the threat now

faced by the financial markets. John Major's first task as Law-son's replacement will now be to deliver the Autumn State-ment and publish some pretty unpalatable official forecasts. Was this impending duty partly what led his predecessor to seek the exit? to seek the exit?

As regular readers will know, my criticisms of Lawson

have been consistent over the past two years. A few weeks ago, I ventured to suggest be might be forced into a U-turn. That appears to have been what the Prime Minister wanted as she manoenvred him into an ever-tighter corner. But he has found a prefext for ducking the challenge.

The tragedy is that he failed to build on his impressive start as Chancellor. Even as a junior

Treasury minister, he had mas-terminded the successful antiinflationary strategy of the early 1980s. Perhaps his deci-sion to abandon monetarism in 1985 was explicable in terms of the need to win the 1987 elec-tion. But his refusal to tighten

counted safely was baffling. Bank and building society lending climbed from 242bn in 1986 to £82bn in 1988 and a likely £90bn in 1989. Like Reginald Maudling and

Anthony Barber before him, be gambled on a dash for growth, abetted by the lamentably complacent officials at the Treasury and the Bank of England. A supply side miracle would cure the temporary imbal-ances. Well, it is true that industry has recovered in con-fidence and profitability com-pared with the bad old days of the 1970s, but it could not pos-sibly cope with the astonishing growth in demand seen in 1988. Sterling was to have been the bulwark of Lawson's pol-

icy, but far too much time was wasted on the irrelevant EMS debate when domestic monetary strategy was in disarray. Interest rates on their own Interest rates on their own never stood a chance of providing a strong enough support, especially when Number Ten was publicly sceptical. Even before Thursday's resignation, sterling's trade-weighted index had fallen by 6 per cent this year. The threat of a squeeze on industry has, therefore, had little credibility.

Recently, Lawson appeared to lose touch with reality. He argued at the IMF that investment flows in a de-regulated global capital market meant that balance of payments' defi-

that balance of payments' defi-cits could be financed almost indefinitely. Did he ever look at the actual movements of



Viewed positively, the departure of Nigel Lawson could give the government an excuse to change course. But there are no easy options left

investments? ... Long-term capital has been flooding out of the UK of late, with British investment institutions spending £6.3bn on for-eign equities in the first half of the year. They have also begun to buy foreign bonds in an almost unprecedented way. Meanwhile, net portfolio

investment in the UK by for-eigners has been negligible. Instead, Britain is being kept afloat by a flood tide of short-term hot money. Or, at least, it was until this week. Monetary policy has, there-fore, been dictated by the need

to attract a flood of ever-more expensive sterling deposits. Broad money growth failed to decelerate after Lawson raised interest rates belatedly in the summer of 1988 and, if any thing, has begun to accelerate

again recently.

What should investors make of all this? Inevitably, first reactions to a crisis are negative, if only because the risks are increased. But there will be good opportunities, too.

First, we can ignore the routhe government protestations that nothing is going to change. Plenty is going to change, and quickly. To start with, we have a de facto devaluation of sterling. That is sensible, and will encourage industry to etart closing the trade gap. It is traditional good news in the equity market for news in the equity market for the exporters and overseas earners. A fall in sterling will also allow interest rates to be

brought down.
But this leaves the danger from inflation, which will leap quickly into double figures unless action is taken — and might well do so, anyway. The response should take the form of a rise in income taxes to of a rise in income taxes to bring about a slump in domes-tic demand (although, given the extent of the likely squeeze

on companies, it could well be advisable to reduce corporate taxes). Prospects are bleak for domestically-orientated compa-nies, especially those which have grown so fat in the past few years by selling imported goods into the UK market. Liquidators will have the only growth business here.

If early action is not taken to control domestic demand, fur-ther crises of confidence will follow. For the securities markets, the yield on long-dated gilt-edged will be the crucial factor. A recession will reduce or eliminate the fiscal surplus which has led to buy-backs and an anomalously low long bond yield. But only a really severe slump could overcome infla-tionary fears and make gilts

look attractive.

Through yield ratio considerations, the long bond return could dampen equities. The equity market is also likely to be hit by a wave of rights. issues next year. Still, a portfo-lio of overseas-orientated blue chips, backed up by some index-linked gilts, should not

do too badly.

So much for economic and financial analysis. There is also the political dimension. If the government had bitten the bullet a year ago, it might have had time to ride a recession had diffe to fide a receasion before the next general elec-tion falls due. Now, the reces-sion will need to be worse and time is running out. The stock market has discounted a lot but, I suspect, not yet a Labour victory in 1992.

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Thirty days that shook the markets

FINANCE & THE FAMILY: THIS WEEK

Getting the best from personal equity plans

Choosing a personal equity plan is far from easy since neerly 200 are now available with e bewildering variety of charges. Many dismayed investors have found already that the charges incurred have more than exceeded the value of government tax concessione to encourage wider share ownership. John Edwards discusses the problems on Page

Broker bonds live again

The Securities and Investment Board's proposed death sentence on broker bonds — investment funds maneged by intermediaries on behalf of their clients — was lifted this week efter a hostile reaction from the Industry. Eric Short examines the SIB's change of heart. Page III.

Expatriates fail to panic

Most expatriate investors seem to have avoided any tendency to panic and self their holdings after the latest wobble in world stock merkets. It is all a very different story from October 1987, as Peter Gartland explains. Page V.

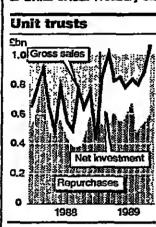
Don't lose your shirt . . .

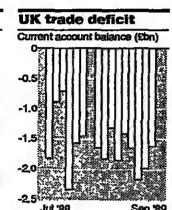
Why take the risk of losing your shirt overnight in aheres when you can earn a real rate of return above inflation without taking any chances? That'e a question to interest most investors; John Edwards addresses it on Page VI.

Minding Your Own Business

Roy Hodson finds that nursing and residential cere homes heve become popular as small business opportunities, and that 63 per cent of people elarting them are first-timers who have never owned a business before. He also meets a couple who once were penniless students but now own two nursing homes and have a third on the way - along with a very healthy bank balance. Pege VII

BRIEFCASE: Treasury stock escapes CGT - Page VII





Unit trust sales soar through £1bn mark again

Unit trust sales in September passed through the £1bn mark for the first time since the October 1987 crash, reaching £1.07bn, while net new investment rose to £504m. However, September's figuree owe much to institutional buying. The much-wooed private investor is still wary of returning to unit trusts end the volatile markets are not likely to encourage him back, especially after this month's mini-crash. But the signs are that investors generally did not panic this time when the stock market fell and that redemptions, while above average, did not go through the roof: investors are still steady buyers of units. - Eric Short

Current account deficit down

The UK current eccount deficit fell to £1.64bn in September from £2.01bn in August, eccording to official figures released this week. This means that the deficit for the full year is expected to be about £21bn. Britain's exports and imports reached record levals in September, the lowest monthly current eccount deficit since May. - Sara Webb

New service for savers

Willis Owen, the Independent financial adviser, has started a new service for savers offering advice on where to obtain the best rates and the levels of risk to be expected from Various forms of savings schemes. Partners Jeff Willia and John Owen started a service called the Building Society Shop five years ago, offering mortgage edvice (for which they charge) and free information about which building societies offer the best interest retes for savers. They also offer advice on pensions and life assurance through their Pension Shop. Details evallable from Willle Owen, City House, Maid Marlan Way, Nottingham NG1 68H. — Sara

Bristol tops its competitors

The new Vantage Bond from Bristol and West Building Society this week offers 11.8 per cent net (15.73 per cent gross), the best interest rate evailable from a "top 10" society. The rate has a guaranteed differential over the eoclety's share account of 4.35 per cent. Minimum investment is £5,000 and the Vantage Bond will run until November 1, 1990, when interest will be credited and the funds transferred to a Bristol and West No 1 Capital account. Withdrewals will not be allowed before November 1, 1990, end notice of withdrawal can be given from August 2, 1990. The offer will be available for a limited period only.

Midland increases rates

PRIVATE shareholders were

the last development of its

kind, private shareholders could find themselves regu-

larly at a disadvantage to insti-

tutions in the important early

The shares involved were

those in Euro Disneyland.

Thanks largely to the enduring

popularity of a certain mouse,

these shares have attracted the

sort of private shareholder

interest restricted normally to

privatisation issues and Abbey

In the UK, 171,000 applica-

tions were received in a heav-

illy oversubscribed issue. More

than £300m was chasing just

267m worth of shares. Officially, dealing in Eurodisney was to have begun on

November 6, with the London, Paris and Brussels stock

exchanges all making a mar-

ket. In effect, that date was

days of a new issue.

National.

Midland Bank is raieing the interest rates on all its personal sevinge accounts from Monday. Rates will range from the 11 per cent net paid on its Premier savings account (now 10.50 per cent) to 5.25 per cent on the deposit account (now 4.50 per cent). The High Interest Deposit Bond will pay a maximum of 11.25 per cent net (now 11 per cent) from October 31. Multi-service current account retes are also being increased, from November 6. Orchard will pay up to 8 per cent net (now 7.5 per cent), Vector 8 per cent (now 7 per cent) and Meridian up to 9.5 per cent (now 8 per cent). -David Barchard

Definitely a week to forget

LONDON

AS THE UK prepares to turn back its clocks tonight, summer seems a long time gone. But many people in the City, as well as in Westminster, must be wishing that tima could go into reverse for a few days or weeks, rather than a measly hour. If they only had realised where the path would lead, would they have persisted? For now, that must remain a matter for specula-tion, but the equity and foreign exchange markets were in no doubt yesterday about the import of Nigel Lawson's resig-nation as Chancellor of the Exchequer.

Shares and sterling confounded the worst predictions. But the FT-SE 100 lost 47.3, to end only a little above the day's low. The week's 97-point decline left the index at 2082.1, its lowest close for six months. Sterling plunged to just over DM2.88 in London. A firm statement from the Bank of England put paid to wild talk of interest rate increases of 2 percentage points or more, but money market rates persisted stubbornly about half a point

2082.1

185

328

437

498

1086

168

198

74

330

83

481

804

244

257

FT-SE 100 Index

Cadbury Schweppes

McCarthy & Stone

Rank Organisation

Steel Burrill Jones

EVERY NOW and then, the

United States needs Lee Jacocca to tell it the way it is.

On Thursday, the Chrysler chairman performed this valu-

able service by painting an extremely grim picture of con-

ditions in the US automobile

The stock market thought it

knew all about Detroit. As Jap-

anese manufacturers have

gained market share, the Big

Three have cut production and

offered huge discounts on new

cars, amounting to more than

Wall Street was prepared for

all three to lose money in their

North American businesses:

that is why Chrysler was val-ued in the market at just five

times its last year's profits. The Big Three duly reported

dismal results, although all

managed to stay in the black

thanks to overseas earnings, diversified businesses or (in

Chrysler's case) a capital gain. But what Iacocca said was that there was no end to this profit

squeeze in sight. "We expect

these extreme cost pressures to continue into the fourth quar-ter and beyond," he declared. And although he did not say it,

there is no certainty that sales incentives will not be needed

in the fourth quarter - even further cuts in production. Chrysler stock, which was \$25

lacocca is not the only busi-nessman telling Wall Street it should not take profits for

granted. On Wednesday, Anheuser-Busch, the largest US brewer, horrified the stock

a month ago, is now \$22.

\$1,000 apiece for many models

Ross Catherall

Polly Peck Intl.

British Gas

Costes Bros

Heath (CE)

IC1

Kwik-Fit

Presenc

business.

HTZ Corp.

LWT

above 15 per cent.
The historic political upheaval so dominated the markets that it is tempting to dismiss the rest of the week with the apocryphal "How did you like the play, Mrs Lincoln?" Unfortunately, there was sufficient bad news even before Lawson's departure.
Tuesday bought a two-part
test, the first half of which was

sed with a sigh of relief.

After another morning becamed in miserable trading volumes, the September current account deficit came in at £1.64bn (compared with August's £2bn figure which sparked the past month's slide in share prices and sterling).

After pausing for breath for several minutes, the market decided that at least it was not bad news by recent standards and shares edged up canticular. Within how to be a several minute.

tiously. Within hours, however, London's resolva was tried and found wanting by an early 85-point fall on Wali Street. The FT-SE ended the day more than 40 points down, too early to show the benefit of New York's later recovery.

HIGHLIGHTS OF THE WEEK

1989 High

2426.0

21312

495

453

500

1352

174

237

407

141

590

1069

245

259

38112

156¹2

81

721

-97.0

-13

-84

+173

+25

-96

+27

न्था

-31

+27

-13

-34

-68

+83

+26

London was also spooked that day by the Confederation of British Industry's report on business confidence. There was very little to ameliorate the gloom on domestic demand, investment intentions, export prospects and the outlook for employment. The only straw to grasp was the belief by many manufacturers that recession

might still be avoided.
Imperial Chemical Industries put numbers to those fears on Thursday with third-quarter profits 12 per cent lower than in the 1988 period, leaving the nine-month result only 9 per cent ahead at £1.23bn. Even more worrying than tha figures, which the City had expected to be flat in the third quarter, was the breakdown of business. The immediate weakbusiness. The immediate weakness was in some specialised chemicals, which had been expected to buoy ICI through leaner times for bulk products. Demand for the latter, how-ever, was still holding up well, the company said. ICI lived up to its reputation as a market beliwether. A 78p decline to £10.97 led the FT-SE 100 32.5

1782.8 Political, economic uncertainties

213 Bid approach from Orkem

1012 Poor 3rd quarter figures

404 . US slowdown tears

143 Agreed bld from Vickers

209 Firm Insurance brokers

100 Stakebuilding by Continental

157 Reaction to restructuring plans

214 Ahead of traded options dealing

Disappointing prelim, results

Cineplex buyout/US slawdown fears

interest rate tears bit builders

319 Loss of Aust. Pepsi-Cols franchise

41S Hopes of Increased Insce premiums

Competition from Shell/Esso Coster

points lower on the day. After 10 Downing Street, the Prime Minister's official resi-dence, the best place to have been a fly on the wall this week was the corridors of power at British Airways. After its ignominous but prudent retreat from participation in the United Airlines buy-out, BA was dogged by unconfirmed and strongly denied sto-ries of a split between Lord King and Sir Colin Marshall, chairman and chief executive

respectively. BA's plunge into the treach erous waters of US leveraged buy-outs, and its abrupt self-extrication, was a bewildering change of direction. But it could turn out to be less of an embarrassment than - many now fear. The superficial ques-tion - why is a deal that was good value at \$300 a share no longer worth it at less than \$200? - overlooked two key

The first is that UAL non-executive directors were not likely to recommend any offer much short of the original price. The second is that the defensive aspect of BA's participation — to prevent United from falling into unfriendly hands - now looks much less pressing. If management, employees and BA were having trouble raising the finance, the same applied to Marvin Davis or any other UAL suitors. The main losers in the whole

affair, apart from the underanar, apart from the under-writers left with 94 per cent of BA's £320m rights issue of con-vertible bonds, were US arbi-trageurs, caught spectacularly by the collapse of UAL's share price. Indeed, many of the rum-blings about a King-Marshall split emerged from New York. But shareholders in LIT But shareholders in LIT Holdings, a financial services company with extensive US futures and options operations, will also pay for the UAL deba-cle. LIT said it would report a second-half loss and pass its final dividend because it had allowed three traders for whom it acted as clearing agent to

Against this sort of back-ground, it is no surprise that the stock market fell every day

last week. But perhaps the

worst news came not from cor-

porate America but from the

government. On Thursday, the

preliminary estimate for eco

nomic growth in the third

quarter of 2.5 per cent. This

sounded pretty good, especially

as it was largely non-inflation-ary growth: the so-called implicit and fixed-weight defla-

tors rose only 2.9 per cent,

which was just half the rates of

the second quarter and nice numbers by any standard. It looked an ideal "soft landing"

for the economy, with growth and inflation slowing from unsustainable levels but no

Base Rates raised to 2150 2050 *** 15% Wall Street Lawson Sterling against the D-Mark (DM per £) E2bn. current Bearish Crosser account deficit Bearish in August £1.64bn. curren account deficit 9.7

October 1989

hold their uncovered short positions in UAL over the traumatic October 13-16 weekend. Christopher Castleman, only five weeks into his new job as LIT's chief executive, said the company's credit control rules had been broken, announced a management review, and promised a more selective pol-icy in future. LIT shares lost a total of 37p on Thursday and Friday to close at 53p. The Monopolies and Mergers.

9.6 Sep 26

Commission cleared Coats Viyella to resume its courtship of fellow textiles group Tootal

provided Coats sold its UK
thread interests and its 28 per
cent stake in Gütermann, the Swiss-West German company which ranks second in the UK thread market.

Nothing has changed in the four months since referral to make the proposed union any less attractive. But it remains to be seen; in these uncertain markets, whether Tootal can underwrite a cash alternative equal to the 133p (worth a total of £395m) formerly on the table. Tootal closed at 118p on

panies. However, the exchange

seems to have had little choice

A new directive from the Euro-

reduce its minimum trading

record requirement from five

to three years. This, in turn, removes much of the rationale

of the USM, which already

requires a three-year trading

exchange seems likely to be a

new market requiring a two-

year trading record. This would accommodate all the

companies on the USM hnt would leave some companies on the Third Market in a curi-

ous position. The third market

insists on a mere one-year trad-

ing record and also accommo-

dates start-up ventures with no

record at all. Presumably, the

rules will have to be bent to

allow very young companies

already on the Third Market to

join the new second-tier mar-

The solution adopted by the

record

present 143%p value of Coats' previous paper-and-cash terms. Morgan Grenfell, architect of many hostile bids in its heyday, found itself on the receiv-ing end of similar speculation on Thursday when Willis Faber, the insurance broker, agreed to sell its 20.4 per cent stake to France's Banque Indosuez. If the two-stage deal passes all hurdles, indosnez
will end up with 24.8 per cent
of Morgan Grenfell. The UK
merchant hank was not pleased, since talks with Indosuez had broken down earlier this year. Indosuez said it wanted to create a European partnership and did not plan at present to make a full offer. Magnet, briefly Britain's largest management buy-out before Gateway came along, sought a financial re-structuring only five months after completing the controversial £630m transaction, its convertible and preference sbares were suspended as it entered talks with its bank creditors

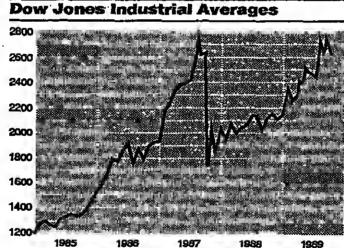
Clay Harris

Friday, compared with the

JUNIOR MARKETS)

Profits take a pounding

WALL STREET



of Sears, the biggest retailer, was off 25 per cent. Interna-tional Business Machines, the most valuable company in the stock market, had profits 30 per cent lower. All the main oil companies were down except Texaco. So were the commodity chemicals companies. Suddenly, the profitability of US corporations is in serious question. Profit margins are under pressure from every side: weak demand, rising cost

market by declaring a full-scale price war in the beer of materials, more expensive business. American Airlines, the largest in the US, said its profits fell 9 per cent in the third quarter despite soaring Wall Street has not minded much about the profits' slow-down up to now. There were revenues. Norfolk Southern, e more things to support stock prices than internal cash flows railway company, said its earnmost thrillingly, a take-over There was worse. Bethlehem Steel said its profits halved. The department store business market financed by junk bonds and syndicated bank loans. The difference now is that

these markets are in retreat. According to one estimate, the mutual funds that fed the public's thirst for high yield by investing their money in junk bonds saw a net outflow of no less than 5 per cent of their total assets in the week to October 20.

Savings and loan institu-tions, those other mainstays of the junk bond market, have also been losing their appetite. They have been forced by Congress to sell their junk within five years, which means (under US accounting convention) that they carry the bonds at market value. One thrift, Col-umbia Savings & Loan, reported a loss on its junk bonds of no less than \$357.7m last week. The company's stock has gone from \$10 to \$4 1/

Bundled up in the figures was something much less attractive. The quarter saw a big build-up in inventories amounting to \$11.1bn (includ-ing farm products), which meant that real demand (known in the figures as real final sales) rose only 1.4 per cent. For manufacturing indus-try, this mixture of weak 1989 mand and modest price rises looks like a recipe for stagnant or falling profits.

The big question, of course, is whether the inventory build-up will force cutbacks in manufacturing that will eventually trigger a down-turn in the economy. On Wall Street, a few bears are already saying that it is too late to get the economy going again, even with interest-rate cuts. They are saying that the Federal Reserve worried for too long about inflation when it should have worried about the other thing. Recession.

2662.91 - 26.23 2659.22 - 08.69 2653.28 - 05.94 2613.73 - 39.65

James Buchan

encourage greater dealing before the official listing, fur-ther adding to the volume of grey market trading. Ultimately, there are only two answers. The first is to

make grey markets illegal -something the authorities do not seem minded to do, in part because one effect would be to drive share dealing off-shore to financial centres where fewer controls exist.

The second, preferable answer is to reduce the time between the closing date for an issue and the beginning of offi-cial dealing, so eradicating the need for a grey market in the first place. In Eurodisney's case, the last date for applications was October 20 - a full 17 days before formal dealing

So it's farewell to the USM WAITING FOR the dust to settle has become an increasmobiles will he the last ingly tedious activity for inves-

tors in small companies. No sooner had the junior markets started to see the light after the savage mark-down of 12 days ago than they were plunged once more into confusion by Chancellor Lawson's departure. Now, they are brac-ing themselves for an announcement next week which is expected to unveil far-reaching changes to them. Before yesterday, the Unlisted Securities Market was showing a reasonable recovery, having risen by 6.4 per cent since the collapse on Monday, October 16; this made its fall over the past two weeks some 4.9 per cent. By comparison, the FT-A All-Share index had fallen by 3.8 per cent in that period but had made little headway since Tuesday, Octo-ber 17. But even these gyrations have been overshadowed by the impending announce-ment from the Stock Exchange of a merger between the USM and Third Market, and the creation of a new second tier. This is not a decision the objects to be collected. exchange has taken lightly. The USM is seen as a striking success in helping the development of small companies, and the prospect of its abolition has raised the hackles of several brokers, accountants and com-

intends to get involved initially in the market by buying and selling certain limited edition classic cars. In this, it expects to exploit the contacts of board members, whose credentials include an enthusiasm for clas-sic cars in addition to e string of directorships of quoted com-panies. Most notably, Richard Palmer, the non-executive A new directive from the European Community requires any EC stock exchange to accept a company if the listing particulars have been accepted by a stock exchange in any other member state. This means that the main market has had to chairman, is managing director of Western Motor Holdings, a

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Another intriguing new-comer to the junior markets this week is Bexbuild Developments which has been introduced onto the USM by Henry Cooke Lumsden. It is involved in the somewhat unfashionable areas of property investment and trading, albeit in the relatively robust region of the

north-west. Bexbuild's emergence on the market could be welcomed by two groups of investors. It will provide an exit route for shareholders who invested under the Business Expansion Scheme, and also for the relatively few people who hought shares when it was traded on the over-the-counter market. Many BES investors must be hoping that their companies follow Bexbuild's example. Relatively few BES companies have joined the market so far and, without a quote, investors have little chance of cashing in

This question must be pre-occupying those involved with the newest recruit to the mar-ket. Automobiles of Distinction, a Start-up venture that credibility of the new second will trade and restore classic cars, this week announced its debut onto the Third Market, It Vanessa Houlder

Richard Waters on a disturbing innovation for private shareholders

presented with a new and disturbing innovation last week; A grey area that needs watching pany's shares being set in motion before the shares to be traded on it were issued. If, as seems likely, this is not

ings fell 16 per cent.

brought forward suddenly last

In London, the Stock Exchange sanctioned dealing from Monday, while the Paris Bourse followed on Thursday. This gave official recognition to the "grey" market in the shares (a market which springs up off-exchange before official

dealing begins). This presents prospective shareholders with a dilemma. How can you sell your shares (if that is your intention) before you even know if they have been allocated to you?

For institutions, dealing in a grey market (whether recog-nised officially or not) is relatively simple. They have relationships with brokers who are happy to accept their orders before the shares are issued, knowing the institution concerned will meet its committ-

The same is not always true for private shareholders. Brokers are unlikely to sell shares on behalf of someone before they are issued unless they know the person very well and are confident he will pay up if he doesn't get any shares and has to huy them in the market at a loss later on.

Michael Burnett, dealing partner at Blackpool-based broker James Brearley, says his firm is prepared to deal with people it knows and trusts -but only if it has had confirmation from its hank that the cheque which accompanied its Eurodisney application has been cleared.

Even then, he says, clients have to accept the risk if the firm turns out to have sold shares they do not own. This is of more than academic interest. As expected, Eurodisney shares, issued at 707p, opened immediately at a premium, reaching almost 900p although they fell back to trade at around 800p at the end of the week.

For anyone planning to sell, it would obviously have been most advantageous to do so as soon as possible. For their part, the stock

exchanges argue that they had little option but to sanction early trading in companies like Eurodisney before the formal dealing date. A large "grey" market had sprung up. It was better to recognise this market officially, bringing it within the ambit of the stock market regulators, than allow it to flourish unregulated. This argument has held

sway before. Dealing in Smith-Kline Beecham, the pharmaceuticals group, was allowed before the official dealing date. But the Eurodisney issue breaks new ground because, for the first time, a large num-ber of private shareholders are being introduced to the official grey market. The signs are that they do not know what to make of it.

According to Geoffrey Tay-lor, managing director of Burnley-based broker Charlton Brett & Boughey. 'It leaves them in an absolute quandary. They don't know what the heck a grey market is, and they don't know what they can and can't do." Despite this, Taylor and

other brokers agree that it is better to heve an official grey market than an unofficial one. At least people can then buy shares as soon as they want to and (subject to the limitations described above) have an opportunity to sell them. ironically, though, authorising such a market is likely to

Handling a large issue obvi-ously takes time, with the need to hold a ballot, print share certificates and allow time for postage. But it is vital for private shareholders to reduce the chance of grey markets emerg-ing - something the City should hear in mind as the next big privatisations loom.

start-up venture to join the Third Market. However, the company might also be interesting for several reasons. For one thing, it is raising £4.8m - one of the largest sums ever on the Third Market (in May, Analysis Corporation, a financial information service, raised £5.5m). For another, its business is bound to excite interest among afficionados of classic cars (the term "classic is applied to about 10 per cent of those over 10 years old). Examples of these cars with specialist appeal might include the Aston Martin DB5 (valued

at £78,000) or the Austin Healey 3000 (valued at £27,000). In recent years, there has been a rapid increase in the value of classic cars, thanks largely to growing interest reflected by the expanding membership of the Veteran Car Club of Great Britain and the Vintage Sports Car Club. There has also been upward pressure on prices as cars have increas-ingly been seen as assets in which to invest rather than Antomobiles of Distinction

quoted motor group.

their shares. But that, as with other new issues, will largely depend on the accessibility and

FINANCE & THE FAMILY

Picking a PEP

Fosure that the PEP has

a monthly payment facility and is acceptable

to the mortgage lender

Do you intend to

Choose a self selection

PEP with low initial and

annual fixed costs

Choose a self selection

PEP with low dealing

Will an annual

(£4,800 if married) be

loan on conserva

ufflicient to repay the

tion of £2,400

ptions for future

payment to intermediaries.

The explanation is that direct share schemes usually pay bro-

kerage of at least 1.5 per cent, plus stamp duty and closure charges, while unit trusts ben-

efit from low institutional rates

of around 0.2 per cent. As a result, the average IRV on unit

age the portfolio

NO

John Edwards tells you how how to pick a PEP without getting in a pickle

A bewildering array of plans

Can you afford to invest

more than £4,800 (or

29,600 if married) before

5th April 1990?

Is the PEP to be used to

repay a mortgage?

Do you prefer to pick

Would you prefer a wide

spread of investments?

Are you investing over

£2,400 per person per

Choose a Type A PEP

only) with good

performance record.

stable managment and

reasonable charges

NO

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CHOOSING A Personal Equity Plan (PEP) is far from easy. There are nearly 200 different plans available, with a bewil-dering variety of charges and very few performance track

توازي ويواد والقمولة وأدم بكام المسار

Many investors taking out share PEPs have already found, to their dismay, that the charges incurred have more than exceeded the value of government tax concessions to encourage wider share owner-

So a way of assessing more precisely what you are buying is urgently needed. John Spiers, a former London stockbroker, says there was a similar problem when Business Expansion Schemes, also offering tax concessions, were launched. He tried to tackle it hy helping to found BEST Investment, a magazine service that analyses the different

schemes introduced.

Now he has turned his attention to PEPs with the launch on Monday of Best Pep Advice, which provides basic analysis of the existing schemes and is

updated every month.
Comparing PEPs is not an
easy task. There are so many different factors to take into account, and in many cases there is large element of indi-vidual investor choice. Further confusion is added by the variation in methods of charging.

Fundamentally, however, there are two main varieties of PEPs. One is where the man-ager makes the choice of shares, and that includes investment and unit trust only PEPs. The second is a self-select PEP where you make your own choice. For the first

Plan name	IRV
Lloyds Bank	97,2
Bank of Scotland	96.1
Nat West	95.6
Clerical Medical	
Allied Provincial	95.3
Midland Bank	95.0
Yorkshira Bank	
I.A. Prichard	
Capel-Cure Myers	
Guinness Mahon	

HIGH CHARGING

Plan name	RV
Greig Middleton8	8.0
CS Buckmaster & Moore8	9.5
Nellson Milnes8	9.5
Dominion Inti	0.1
Philip J. Milton9	0.1
James Brearley9	0,1
Private Capital	0.1
Duncan Lawrie 9	0.7
Sheppards9	0.8
Broker Financial Services - 9	8.0

variety, it is useful to know not only the charges involved, hut also the performance record of the manager choosing the stocks on your behalf.

To help assess the performance track record, Spiers has

First take out an old style

PEP before 31st

December for the

amount in excess of the

£4,800 Emit

(max:£3,000). The

proportion of that PEP

may not exceed 50%

Are you sure?

Choose a Type B

discretionary PEP where

the manager will choose

a limited number of

YES

You need a discretionary

Type B or C PEP with

the maximum exposure

to unit trusts/investment

sought the help of Micropal in providing details of unit trust groups over one, three- and five-year periods. This gives the basic information for a special section reviewing the individual managers and their

However, this information is confined to unit trusts, and there is very little data avail-able to assess the performance of stockbroking firms or how with being restricted to only a few shares.

Spiers believe that unless you have specific knowledge or experience with a particular find manager, it is probably wisest for discretionary direct share PEPs to stick to an index-tracker fund with the most reasonable charges.

Mr. March March Land Company of the Company Charges are easier to assess, although even here there are problems. For example, it is cheapest to buy one share (and this might be the best policy for someone with a big separate portfolio) but the risk of going into one share is considerable, especially for first-time

Nevertheless, to provide fairly good comparison of charges, Spiers has used two different methods for the self-

select and discretionary PEPs.
For discretionary funds, the Immediate Realisation Value (IRV). This shows what you would get if you cashed your (new-style) PEP immediately, after all charges, including all transaction costs, have been

Surprisingly, it shows that almost inevitably direct share purchase PEPs are more expensive than a unit trust invest-ment even though the unit trust charging structure allows for a 3 per cent commission

BEST VALUE SELF	SELEC	T PEPS		WORST VALUE SEL	F-SELI	ECT PER	\$
		ear charge Average	a % : Active			ear charges Average	% Active
Midland Bank Select*	2.1	2.4.	2.9	Neilson Milnes	12.0	14.2 •	17.1
loyds Bank Choice"	. 22	. 26	3.0	Brian Taylor Perky*	9,8	12.6	16.4
Brown Shipley Trust*	2.3	4.0	6.3	Philip J Milton	9.5	12.1	15.5
Yorkshire Benk*	3.9	5.7	8.0	I A Pritchard	8.4	11,0	14.5
Pilling & Co	2.9	5.7	9.5	Broker Fin. Services	8.6	10.8	13.6
Nalker, Crips	3.4	5.9	9.4	Pointon York	8.9	10.6	12.9
Barclayshara	3.9	8.0	. 8.9	Sheppards	7.6	10.3	14.0
Nise Speke	4.8	6.1	7.9	Reyker Securities	7.5	10.3	14.1
Bank of Scotland	3.8	6.4	9.8	Cobbold Roach	7.1	10.3	14.5
P.H. Pope & Son	3.6	6.4	10.2	Fleming Inv Trusts	7.1	10.3	14.5
Duilter Goodison*	4.4	: 6.5	9.2	Stock Group	7.3	10.1	14.1
Redmayna Bentley	4.1	6.7	10.1	CCF Foster Braithwaite	7.1	9.7 evestment	13.1

New Increased Interest Rates From 1st November 1989 the rates of Interest payable on Portman Wessex investment accounts will be increased. The new rates will be as follows: Equivalent % (at 25% tax) FIXED RATE BOND PREMIUM PLUS SHARES Balance £50,000+ Balance £5,000+ FLEXI-PLUS SHARES Ralance £20,000+ 13.00 (12.33) Balance £500+. 9.00 Balance £1+. 9.00 12.00 YOUNG GENERATION CLUB. 11.67 REGULAR SAVINGS SHARES. 9.00 6.75. ORDINARY SHAREST COMPANIES ACCOUNT INTERNATIONAL & CHARITIES ACCOUNTS paid gross CURRENT ACCOUNT Balance £1+. SEX ORDINARY SHARES AND PORTMAN SPECIAL ACCOUNTY-RING ACCOUNTS ONLY) Monthly income rates in brackets where applicable. † Interest paid half-yearly The rates of interest on other current and discontinued investment accounts (except existing fixed Rate Bonds and certain monthly income accounts) will be increased by 0.75% from 1st November 1989. Pull details of our complete investment range may be obtained from any Portman Wessex branch or by completing the coupon and sending to: Administration Centre, Richmond Hill, FREEPOST, Bournemouth, BH2 6TB or telephone (0202) 292444 Please send me details of the Portman Wessex Investment Range PORTMAN WESSEX BUILDING SOCIETY

trust PEPs is 92.8 per cent of the original investment, com-pared with 91.0 per cent for shares-only PEPs.

There are considerable fluc-tuations from that average. As the accompanying table shows, Lloyds Bank is the lowest charging manager with an IRV of 97.2 per cent, while stockbrokers Greig Middleton has the highest charges with an IRV of 88.0 per cent.

Performance must, of course, be taken into account (Lloyds Bank unit trusts, for example, have a poor track record, although that does not necessarily mean a poor PEP fund). The figures, however, add weight to the view that the mexperienced investor, in par-ticular, should stick with a unit trust PEP where the charges and performance record can more easily be For self-select PEPs, where

you choose your own shares, the gauge used to measure charges is based on the costs incurred during the first year for three different types of investor: passive, average and active. An assumption is made that the report and accounts on two holdings are supplied since most managers make additional (sometimes extortionate) charges for providing them. Not taken into account is that several self-select PEPs offer a restricted choice of shares and, significantly, these type of plans are the four bestvalue PEPs listed. As can be seen, there is a wide gap between the best Midland Rank and the worst, Neilson

Best Pep Advice is aimed primarily at financial advisers and the serious private investor. It costs £125 a year, but there is a first-year introduc tory offer of £99.

THE PROPOSED death sentence for broker bonds, which are investment funds managed by intermediaries on behalf of their clients, was suspended by the Securities and Investments Board (SIB) this week.

The reprieve was announced hy David Walker, the SIB chairman, to a delighted audience at the annual dinner of the Linked Life Assurance Gronp. The announcement showed a finely tuned sense of theatrical timing, given the heavy involvement of the urance companies in broke

bond business.

SIB did not pull any punches about broker bonds in its consultative paper No 26 issued at the end of July.

It argued that investors did not understand in what they investing when they

were investing when they bonght broker bonds; that investors were paying higher charges but not receiving any higher investment returns compared with those obtainable on life company managed funds; and that the charges were so obscure that investors had little idea of what they were paying.

The document concluded that advisers, in offering broker bonds to clients, were under a considerable conflict of interest and that invariably they offended the best advice

requirement of the financial services regulations.

The logical conclusion was that independent financial advisers should not be marketing these products unless they could justify that there was a demand for the product and meet the best advice restric-tions imposed by regulators. Nevertheless, there was hos-

tility to the proposals. Finan-cial advisers and life compa-nies pointed out that £2bm was ted in broker bonds, and this showed there was strong demand for these funds. Additionally, they argued there was sufficient evidence to show that, on past perfor-

mance at least, some broker honds out-performed funds managed by life companies over the long term. Furthermore, it was claimed that investors liked broker

Death sentence lifted

> Eric Short on broker bonds



bonds because of the personal service provided by the adviser compared with the impersonal-

pany-managed fund. But, above all, it accused SIB going far beyond its regulatory powers in effectively ban-ning broker bonds.

David Walker evidently took this last accusation.

The most important statement as far as the UK life assurance industry was concerned, in what was a very interesting and wide-ranging speech, was his reassurance that "it is not SIB's objective, nor would it be a proper part of the regulator's role, to ban a particular product on the basis that the client's need that is being met is unclear or uncer-

He went on to add: "If clients reveal their preference for brothe regulator's task is to find ways of accommodating this while seeking to ensure that advisers are properly discharg-ing their obligation to give best

It is an important concession. Walker has stated, in no uncertain terms, that SIB cannot ban a particular invest-ment product simply because it is finding it difficult to regu-

Had SIB pursued its original proposals, the UK life assurance industry could have found itself on the slippery slope to a European style con-trol system where any new product has to be approved by the central authorities, with the consequence that product innovation is inhibited.

Nevertheless, Walker is far from satisfied that the existing controls on broker bonds are are not abused. He hopes that SIB will put forward firmer proposals for further discussion before the end of the year.

Even those defending their retention accepted that there were things wrong and put forward constructive proposals on how broker bonds should be

In essence these were:
■ Much clearer definitions of broker bonds and more explicit promotional literature, including making very clear the pre-cise relationship between the adviser, the investor and the life company.

■ Clearer charging structures, with detailed explanations to clients.

■ More information on the investment aspects of broker honds, including past perfor-

mance details. Regular investment reports, including details of switches and monitoring of performance against a variety of criteria.

 Closer scrutiny of the expertise of the person/firm han-dling the investment aspects of broker bonds.

These proposals, from the practioners, give SIB several leads for establishing a viable system for regulation of broker

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RE	SULTS DU	E		
		Dividend (p)*		
Company	unognoement due	bul.	l year Float	This year
FINAL DIVIDENDS				
Ashley Group	Wednesday	-	-	0.5
Bridport-Gundry	Wednesday	1.9	5.1	1.9
CEC North America Fund Inc	Monday	n/a	n/a	n/a
enner JH Holdings	Wednesday	3.0	4.5	3.2
3R Holdings	Thursday	0.4	2.0	8.4
nternational City Holdings	Tuescay	3.0	4.5	-
Reystone investment Company	Tuesday	2.5	6.0	3.0
ow William & Co	Thursday	1.833	3.83	21
MMT Computing	Thursday	0.8	1.1	0.8
imart J & Co. (Contractors)	Thursday	1.60	4.2	1.75
100 Haldings	Tuesday	0.72	1.71	8.9
Inigroup	Tuesday	-	-	-
ideo Tape Recording	Monday	0.8	1.7	1.0
NTERIM DIVIDENOS				
Anglo American Coal Corp	Tuesday	95.0	205.0	-
viva Petroleum inc.	Monday	-	-	-
ritish-Borneo Petroleum Synd	Thursday	8.0	16.0	-
ritish Island Airweys	Wednesday	-	0.2	-
urtonwood Brewery	Thursday	0.7	2.85	-
ambridge Instrument Company -	Tuesday	0.24	0.61	-
helses Artisans	Wednesday	-	1.0	-
ook William	Wednesday	2.75	8.25	-
RA Group	Tuesday	1.0	1.75	-
xoedler Leisure	Monday	_		-
resham House	Tuesday	3.0	3.6♥	-
Aarks & Spencer	Tuesday	1.7	3.9	
4BS	Tuesday	•	-	-
Medirace	Monday		-	-
ffice & Electronic Machines	Tuesday	0.1	-	-
owerscreen International	Wednesday	1.2	3.0	-
museum pm/wor	Wednesday	1.7	3.3	-
aiston imernational Trust	Tuesday	-	1.00	•.
lechem Environmental Services	Wednesday	2.5	6.0	
Reed International	Wednesday	4.0	8.0	-
lit Capital Partners	Thursday		1.65	
lowe Evans Investments	Monday		2.0	
ecurities Trust of Scotland	Wednesday	0.75	1.5	
stormgard	Tuesday	0.70	0.1	-
riefus	Monday	20	1.0	_
1 10103 Halfedeline dischause Hillann	MOUNTA	20	1.0	-

COMP	VMA	NEWS	SUMMARY

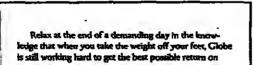
T/	AKE-OVER	BIDS	AND	MERGE	RS
Company bid for	Value of bid per chara	Market price	Price before bid	Value of bid Engan	Bidder
	Prices in pene	e unless	otherwi	ee indicat	ed
Armstrong Eq.	180"	177	176	95.80	Caparo Inda.
Broadcast Commit	330*	318	343	11.72	G'dien Man.News
Caradon	51756	505	488	317,45	ME Group
DRG	590*	565	595	697.00	Pembridge invs.
ITL Info. Tech.	41	41	25	12.73	Apricot Comp.
MIL Research!	295	292	288	33.2	MAI
Meat Trade!	350°	353	4301	9.18	Twigroutes
Neill (James)	280°	274	202	77.76	Markoffer
Oceana Devel.	♣ §	285	270	15.9	Symphony Corp.
Pearl Group	605*5	623	552	1.1brs	AMP
Ross Cetherall	253*	244	161	95.58	Victors
Silkolenet	645*	640	430	28.1	Fuchs Petrolub
Toothill (R.W.)	675*	665	460	4.72	Adamas Inds.
Utd. Scientific	11412	135	147	63.93	Meggin

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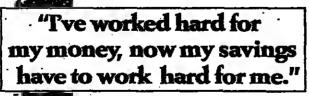
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The Week Ahead

US question over Marks

MARKS & SPENCER will set the tone for the entire retail sector when it reports interim results on Tuesday. The com-pany, chaired by Lord Raynor is expected to report pre-tax profits above £200m, against £185.5m in the first half last

year. The UK performance is likely to show that M&S has done better than its rivals in the difficult trading conditions the difficult trading conditions this summer. Europe also should show good profit increases but analysts are nervous about the group's performance in North America. The Canadian chain has been a long purpose making the best of the conditions and the conditions are the conditions and the conditions are the conditions and the conditions are the conditions long-running problem but now the City is concerned about Brooks Brothers, the up-mar-ket US menswear business bought last year. Investors will want to know the truth behind rumours that the acquisition has not gone well.

☐ William Low, the Scottish food retailer, will produce final results on Thursday. These are likely to show a rise from £11.1m pre-tax (excluding fixed asset sale gains) to £16m.

CHANCELLOR Nigel Lawson's resignation on Thursday will have left many people wonder-

ing what the future holds for their own personal finances -whether because the run on

sterling could prompt further interest rate increases and, therefore, deal an even more

severe blow to people with mortgages, or because of wor-ries that the stock market could remain volatile for some

time, given the uncertainty

over the health of the UK econ-

In the City, there is plenty of

uncertainty over what action John Major, the new Chancel-

lor, will take and if investor confidence in the market will

be restored. One problem for the gurus is that Major is an

unknown quantity.

He has heen dubbed
"Thatcher's poodle" – hut
does this mean that Thatcher's

economic views will become

more important, and that her views on non-intervention in

Simon Knapp, UK economist at BZW, says: "It is unfair to call Major a poodle, but he's unlikely to stand up to

son did and will probably be relying much more on his

advisers. Thatcher won't want

the pound to fall too far.
"However, the uncertainty has not gone away. This could

well be the luil before the

storm, depending on how inter-

national investors react now. This is the first time that polit-

ical risk has entered the mar-

ket for five or six years. If they let the pound fall and inflation

rises, then the risk increases of there being a long drawn-out

period of decay which will

frighten overseas investors.

"A lot of the speculative ele-

ment has come out of sterling in the last two months: the key

the market will prevail?

While analysts have respect for Low's profit record, there is concern that a regional food retailer could be squeezed by the leading supermarket groups — a suspicion confirmed implicitly by Low's portion externate to market with the state of advertising revenue to market with the state of advertising revenue. abortive attempt to merge with Budgen earlier this year. Analysts now expect Low to buy a parcel of stores from Isosceles, the new owner of Gateway.

When Reed International announced its interim results

last year, the pre-tax profit fig-ure of £133.2m was well ahead of expectations. One of the beneficial factors was the interest income from the £780m cash mountain built-up by disposing mountain built-up by disposing of its paper and packaging interests. Now that much of this money has been spent on strengthening its publishing interests, the questions being raised ahead of Wednesday's interims are: how good were the buys and are there weaknesses in the older areas of the husiness?

The answer to the first will be gleaned mostly from a close look at the Travel Information

ness and consumer publishing, and in regional newspapers; of the book trade; and of the intensely competitive women's magazine market, where the successful launch of Me will be struggling to compensate for the falling circulation of its Big

Five sisters.

Profit forecasts range from £119m to £125m. ☐ Powerscreen International, the Northern Ireland-based maker of machines that screen soil and crush rock, is expected to harvest more praise for its re-structuring after announcing its interims on Wednesday.

Pre-tax profit for the six months to Sept 30 is expected to be £8m, compared with £6.5m last time, and the company should be an course for

£14m for the full year. Powerscreen's strong suit is its geographical spread. Royer

Industries, a US maker of soil and compost shredders, will be in for the full six months for the first time and European sales should also have

increased strongly.

When Rechem Environmental Services reports its interim figures on Wednesday, attention will focus again on its imports of hazardous waste. The results may well be affected by the blockade of polychlorinated biphenyls from Canada, destined for Rechem, which dominated the headlines

for a week in August.

However, most analysts are expecting the storm over the Canadian waste to have only a marginal impact on Rechem's results, since the company apparently can command more work within the UK than it can cope with The positive side of handling PCBs should also be demonstrated in that its mar-gins should reflect its position as one of only two UK plants to

handle PCBs. Analysts' forecasts range from about £4.6m to £5.2m

sion is good for bonds: we'd probably see a switch from equities to gilts, and cash and money market funds are offer-

money market minds are differing quite reasonable deposit rates as well as being risk-free. Risks have gone up considerably in the equity and gilt markets."

Dingwall-Smith believes that while interest rates won't necessarily are up in the short-

essarily go up in the short term, they will stay high. The money market will follow this pressure on sterling and, if the pressure comes back on ster-

ling there is a danger money market rates will drift up. It might be better for bonds if

there was a decisive move to

raise the base rate rather than

letting the currency drift and then suddenly panicking."

choppy while there is concern

over the government's determi-nation to light inflation."

If sterling is allowed to fall

one possibility is that this could help short-term corpo-

rate profits - but would this

give a boost to the stock mar-

Knapp helieves that Thatcher won't want the

pound to fall too far. "It would

be good for corporate profits, and help the export side, but would mean the inflationary

problem would take longer to

solve - ie, there would be a

risk long-term that inflation would not come down in time

for the next election. It is diffi-

cult to see the stock market

going any higher - if the pound weakens next week, and rates go up, we're virtually assured of a recession and it

will hit confidence so badly."

Meanwhile, Hannah advises against "those companies with high exposure to interest rates

through being highly geared or vulnerable to recession -- for

example, companies in the building materials, construc-

tion, mechanical engineering,

chemicals and property sec-

SALESSES.

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"Cash is extremely attractive now says Whitehead. "Tha gilt market will probably be

Company Ailled London (1.03)901 (1,550 L) 0.05 (-)
10,150 (4,420) 20.6 (13.1)
529 (3,440) 0.7 (6.8)
5,590 (5,340) 0.82 (1.74)
8,720 (5,700) 16,1 (15.4)
4,360‡ (5,730‡) 1.31 (1.27)
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1,510 (146,300) 81.2 (73.7)
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1,640 L (234) - (0.85)
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120,200 (97,600) 36.9 (30.7) States Holdings TR Australia Inv Weissley Apr Aug July 2.8 (2.17) 11.0 (9.0)

Company -	Hell-year	Pro-tex (20)	profit.	divid	erim enda" erim
Airttow Streamlines	Aug	1,720	(1,680)	20	(2.0)
Amercoeur Energy .	June	236 L	(342 L)	-	(-)
Attentic Resources	. June 🖤	2,840 L	(528 L)	-	(-)
Automotive Products	June	12,800	(12,200)	-	(-)
Beniox	June	1,800 L	(480 L)	0.5	(0.1)
BMSS .	July	729	(586)	1.87	(1.75)
Borland Int7.	Septo	5,930	(5,770 L)	-	(-)
Boxmore Int'L	June	1,280	·(891)	1.7	(-)
Brit. & Amer. Film.	June	389	(368)	2.65	(2,37)
Brown N Group	Sept	5,190	(4,700)	1.57.	(1.5)
Centreway Trust	June .:	395	(355)	1.0	· (-) ·
Delty Telegraph	Sept#	28,900	(22,000)	٠.	(-)
Deneitron .	Sept	550	(865)	0.7	(0.7)
Eastern Produce	June .	2,620	(3,380)	2.5	(2.5)
EtRott B	Sept '	3.050	(1,710)	1.25	(t.1)
English & Int'L Tat	Oct	1,930F	(1,094)	0.8	(0.75)
FR Group	June .	11,900	(9,800)	2.23	(1.94)
Globe Investment Tst	Sept	21,740	(16, 180)	1.78	(1.81)
Hammerson Property	June	38,200	.(25,370)	. 3.5	(3.0)
CI	Septe	306,000	(347,000)		· (-)
inghem George & Co.	June .	95 L	(215)	1.0	(1.0)
Jacob W&R	July	1,140	(830)	3.0	(2.8)
lanter	June	54	(24 L)	-	(-)·
Klearfold	Junes	705	(950)	1.6	(1.8)
Lendu Holdings	June	147 L	(717)	_	(-) ·
Midland & Scott Res	June	2.100 L	(5,300 L)		ì-i
Monarch Resources	June	281	(717 L)	_	<i>i-i</i>
Moss Bros	July	893	(685)	1.5	(1.0)
North Sea Assets	June	128# L	(99) (1)		<u>(+)</u>
Plactices	July	526	(438)	-	ĉ-j .
Polymark Int'i.	June	1,110	(881)	_	77 .
Roes Catherall	Sept	4.400	.(3.870)	2.0	14
Shiloh	Sept	510	(508)	0.87	(0.87)
		5,120 L	(6,220 L)	O,DV	(-)
Sotheby's Holdings	Sepot				. 57
Swanyard Studios .	June	204	(118) (336)		57
Upton & Southern	Aug	115			(C)
Joher-Walker	June · · ·	808	(596)	3.5	(3.0)
Value & Income Trust	Sept	1,930	(1,670 •).	1.0 .	(0.72)
Vivat Holdings	June .	1,320 L	(3'050 T)	-	(-)
Malker Greenbank	July	3.270	(2,950)	1.0	(1.0)
Ctra-vision	July	1,040	(434)	-	(·)

RIGHTS ISSUES

ources is to raise IC2.94m via a 2-for-11 rights les Flogus is to raise £18.00m via a two-tor-nine rights issue at 240p. Mrs-vision is to raise £9.78m via a one-tor-four rights issue at 30p.

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City is divided on need for Major changes

Sara Webb finds plenty of uncertainty among the financial gurus

question is how institutional investors overseas view the UK as a place for securities. They were not likely to react immediately, so we will see over the next couple of weeks whether they pull out of equities and heads."

John Whitehead, strategist at Robert Fleming, says the crisis has not been averted. Law-son's departure "has not put off uncertainty regarding exchange rate policy. Major is not very experienced — we need to see some confidence-building measures. The government faces a stark choice

that sterling will come under pressure again — and that the Bank of England will intervene to support it. Maybe sterling will be allowed to edge down a

While Thatcher might worry about the political cost of raising interest rates and, therefore, of hurting her home-own-ing electorate, what will it mean for investors? Mike Payne, director of investment strategy at Legal & General, says: "Gilts are a very fluky market and I wouldn't recommend them unless there is a between inevitable devaluation recession. Cash is looking of the currency, and high inter-

probably look attractive soon

once they have come down fur-ther, although the stock mar-ket could drift sideways for a

"If they want to help the trade balance and exports, they should allow the pound to go down steadily. But this would

be inflationary. I think they'll try to muddle through with

soft talk. If they are looking for some change in direction, they could allow the pound to do

few more weeks

down further."

'He's been dubbed Thatcher's poodle

- but does this mean that her views on non-intervention in the market will prevail?"

est rates plus recession. Neither choice is at all palatable, but we think they will push up interest rates, probably next

Ian Harwood, director of equities at Warburg, believes the pound could hold next week. "My guess is that Major will probably get the benefit of the doubt, given his Treasury experience, but we don't know whether he will be (Thatcher's) poodle - nobody knows what the relation between Thatcher

and Major will be.

"However, if sterling weakens, we can't rule out a rise in

interest rates." But Richard Hannah, of UBS Phillips and Drew, disagrees. He says "Our guess is that they will try to prop up the pound without using the interest rate weapon. Obviously,

Thatcher will drive economic policy more with Major than with Lawson." Richard Dingwall-Smith, UK economist at County NatWest Wood Mac, says: "Thatcher may in principle like markets to determine their own level, but in practice she won't let

the market fall sharply there is greater uncertainty over exchange rate policy and whether the government has lost its credibility. The less stature the Chancellor has, the harder it will be for him to stand up to Thatcher.

"I don't think the political uncertainty and lack of condfidence from overseas will go

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Knapp says he can't envis-age any significant change in policy over interest rates being used to protect sterling. "If tors. Go for groups with earnings overseas," he suggests. base rates go to 17 per cent it **NEW TAX LEGISLATION HOW MUCH**

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FINANCE & THE FAMILY

EXPATRIATES

Offshore investors avoid the frenzy

evidence is, there is little to support the view that expatriete private investors were pan-icked into a wave of distressed selling by the sudden plunge in the New York Stock Exchange on "Grey Friday" earlier this month.

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Little words, 13 Fr

It seems that expatriates fol-lowed the lead of their stay at home compatriots on the basis that they had seen it all before, only two years ago, and certainly weren't going to be blown off course this time

Peter Pearson Lund, manag-

ing director of the Gartmore group, confirms that, this time round, it was a very different story from the Black Monday of 1987. Nevertheless, some investors did take fast action, and may now be regretting it. On the Monday following Grey Friday", Gartmore recorded more than 1,000 switches in its existing Capital Strategy umbrella, which boasts a total of \$276m of funds under management. Gartmore estimates that about half the total number of switching instructions came from expa-triate investors, and that the

from equity into cash funds. Pearson Lund's advice is to stay with a broad range of. equity markets but keep a small percentage in cash. "Don't scurry out," is his message. And, above all, do not make any decisions on the basis of fear and panic.

majority were for a switch

Fidelity Investment Services says that private investors were more relaxed this time round and seem to be accepting that, while stock markets are becoming increasingly volatile, there is no need for the long-term investor to panic.

That said, there was a mini-flight into cash at Fidelity, sured at a level three times that of redemptions.

Fidelity'e Jersey office, largely used by expetriates. the company's onshore offices.



Mary Blair, marketing director of Fidelity, puts this down to expatriates being less close to markets, not only in a physical sense but also in terms of taking action on up-to-date infor-mation. "By the time expatri-ates had thought about doing something, markets had recovered to a large extent," she

FOR AN EXPAN

That thought is echoed by Fred Carr, director of Capel-Cure Myers Capital Manage ment. He says: "If you're in some remote place, it takes longer for news to sink in." Carr says his office was manned from 6am on the first working day after Grey Friday in anticipation of a rush of sell-ing orders from the Middle East, but "there was no discernible flicker from expatriates." He finds it encouraging that investors appear to have learnt that they could end up selling at the bottom of the market in the event of a sudden crash; it's now seen as an opportunity to buy. He does concede, however, that an expatriate investor who has no liquidity in his portfolio would be advised to review his strat-

Richard Royds, managing director of John Govett Unit

ann numer thatman of rim-bra, reviews *Personal Pinance, The A-Z of invest-ment and money management, by John Edwards, personal finance editor of the FT. AS PERSONAL weelth increases, individuals will need to be better informed about Management, confirms there was no panic among expatriate their own financial affairs. This is reinforced by the Govring is removed by the cov-ernment's desire to make peo-ple more responsible for their own finances.

The increase in home ownerinvestors. Royds regards this as e reflection of the fact that the offshore investor is not so much in touch with the market and approaches investment on e genuine long term basis. This is undonbtedly the case for some, but this remoteness from ship has brought with it a rapidly widening choice of types of mortgage and of methods of

expatriates are just staying a London-based research com-pany, has just completed a sur-vey of investment habits among British expatriates on the Spanish Costas — Brava, Blanca and del Sol.

the market could mean many

Michael Cunnington says British expatriates in Spain feel they are too remote to invest in shares. The same goes for equity fund invest-ment: only 10 per cent of those questioned in the survey had money in unit trusts or offshore funds. The expatriates favourite home for money is a bank deposit account. Few use the services of a financial adviser, but base their financial decisions on informal discussions with friends.

Cumnington says the results surprise him because expatri-ates living in Spain are gener-ally not short of the time necsary to plan their financial

affairs properly.

Last year, his company carried out a comparable exercise among working British expatriates in the Middle East. It seems the savings habits of retired expatriates in Spain bear a marked similarity to their working counterparts in the Gulf, who also favour deposit accounts rather than risk investments.

It looks like a case of missed opportunities. Theo agaio, maybe expatriates prefer not to be caught up in the frenzy of stock market gyrations.

Peter Gartland

Mark St Giles, chairman of the educational charity, the Money Management Council, and former chairman of Fim-Speaking personally

All this has emphasised the need for the new owners of wealth to find ways of taking the right decisions about its edministration and maintenance. The British public is ill-equipped to do this properly. Neither the education system nor personal experience has prepared people for the com-plex and interlocking series of decisions that they will have to

There is no apparent short-age of advice: life companies, building societies, banks, unit trust managers, stockbrokers and many independent finan-cial advisers all promote the merits of their products and services. The coverage of per-sonal finance has increased in the media, and there are many good books on all aspects of avings and investment.

Despite this, confusion reigns in the minds of most of the recipients of the barrage of promotional meterial, advertisements and articles. Language, as is so often the case.



is a barrier to understanding and most people, when they are confronted with the jargon of any discipline so effortlessly deployed by the pundits, are unwilling to demonstrate their ignorance.

This is a gap that John Edwards' book is designed to

fill. It is a glossary of terms commonly used in the finan-cial world, with simple expla-nations of the meaning of the words and the significance of the concepts they describe.

It will certainly be of great assistance to anyone who wants to take an intelligent interest in their own financial affairs. Papelle growking in the

affairs. People working in the City and on business pages of the press may also find it useful. The former group would include not only individuals interested in managing their own money but also profes. own money, but also profes-sionals and businessmen who find the language of finance somewhat arcane. Also, new entrants to the financial industries who wish to master the secret signs of their trade quickly will find the book help-

It would, for instance, enable those fortunate enough to have qualities in high demand to dif ferentiate between goldeo handcuffs, golden handshakes aod golden parachutes, although the author seems to suggest by omission that the golden helio has passed into the mythology of the Big Bang era. But the new world of regu-lation is well covered with explanations of the multitudi-nous ecronyms like FIMBRA and LAUTRO that it has spawned; as are the technical terms in current use in bank-ing, trade finance, life assurance and pensions.

There is also a useful list of addresses of regulators, trade associations and other relevant bodies for those who want to know more or register com-

It is inevitable that technical terms are used for reasons of precision and because of the law'e requirement. This book will make the jungle less dense and I will be glad to have a copy on my bookshelf to consult on the many occasions when I succeed in confusing over myself even myseif.

*Published this week by Graf-ton Books; price £12.95 hardback, £7.95 paperback.

dealing service for small investors, will be offering to sell privatisation shares on

the spot, with a minimum

Exchange is running a

commission rate of £12 plus

programme of free talks on the following subjects: the gilt-edged and fixed interest market, the Stock Exchange

real-time price information

system, the Stock Exchange

and the private investor.

Sunday November 5 at

Olympia. Entrance is free.

Each afternoon, the Stock

Eric Short on an estate agency's financial move

GA spreads its wings

remunerated by basic salary

letter once the dust has settled

Clients who respond posi-

tively to the initial approach will be invited to meet a sales-man, either at the estate

on their house transactions.

not at first.

PEOPLE WHO have bought or vices is a full-time task which sold their houses through General Accident Property Services are to receive letters from and selling houses.

The new sales force will not if they are interested in disbe an extension of GA Life's the estate agency office asking if they are interested in discussing their financial affairs with a GA financial expert.

with a GA financial expert.

a marketing force under the compeny's direct control,

repaying them. Personal pensions are being enthusiasti-cally received, as the sales fig-ures show. Inheritances,

previously the province of the wealthy, are now likely to be received by anyone whose par-

ents have owned a house.

Privatisation has greetly increased the number of share-holders who, as the saying goes, will need a large post box

and a larger waste paper bas-

GA Life, the life assurance and financial services arm of General Accident Group, this week announced the formation of e direct sales force of some 200 trained people to market the full range of its financial services through its estate agency network.

GA has always seen its estate agency operation as a source of life, pensions and unit trust business, as well as contracts connected with house deals - mortgage pro-tection and low cost endow-

It has trained the staff of its 600-odd estate agency hranches to market these mortgage-related products in accordance with the requirements of the financial services regulations, the estate agency being a tied agent of GA Life.

However, GA Life has taken the view that marketing the full range of its financial ser-

already interview rooms, or at the client's home. cannot be undertaken by staff Many will see this move as yet another infringement on their private lives, although GA Life is doing no more than many banks and building societies in promoting its financial services through contacting existing customers.

plus commission. Nevertheless, Peter Hales, UK sales manager at GA Life, admits that no specific research had been made into client attitudes to receiving yet Many other life companies, from the home service compa-nies, such as the Prudential and the Pearl, to Equitable Life have direct sales forces, but the GA Life staff will not call more junk mail. Meanwhile, GA Life has told on people at home - at least.

independent financial advisers that its new development will They will operate in co-opernot mean its support to indi-vidual financial advisers will ation with, and through, the estate agency network.

The client list built up by the be diluted. They still provide more than half GA life's busiestate agency network forms a useful customer base, GA Prop-Hales sees the development erty Services, even in these depressed times, is handling 120,000 house deals a year and its clients will be contacted by

as bringing expert financial service advice to an audience which would otherwise not have access to it. However, independent advisers may well take the view that GA Life is indeed setting up a rival mar-keting organisation, particu-larly if the company contacts their clients.

Money advice

THE 1989 Money Show starts next week at the Grand Hall,

Olympia, London.
This year there will be several special interest centres offering help and advice on topics such as green and investment trusts, unit trusts. futures, options, retirement planning, pensions, business start-up finance, Personal Rquity Plans (PEPs), and alternative investments such as fine arts and antiques. Sharelink, the "no-frills"

Sara Webb

Commendation for the FT

THE Financial Times received a special commendation in the 1989 Bradford & Bingley Personal Finance Media Awards this week for its "impressive work on the 1989 Budget." The Daily Telegraph won the Personal Finance National Newspaper of the Year award, while Margaret Hughes, Personal Finance Editor of the Guardian, won the Personal Finance

Journalist of the Year prize. Geoffrey Lister, chief executive of Bradford & Bingley Building Society who chaired the panel of judges this year, used the occasion to call for

inside the UK equity market, and options.

The Money Show runs from Thursday November 2 to

the government to give more assistance to first-time home

buyers. He said the Chancellor should "provide much needed assistance to the country's young househuyers and increase mortgage tax relief for these people" at the next Bnd-

get. "The current £30,000 ceiling is simply inadequate for those without any equity to release from their first home" he said. "I believe the Chancellor should raise the ceiling."

Sara Webb

Heather Farmbrough cheers good communicators **Plaudits for Lazard**

BUSINESS Expansion Scheme fund managers have earned something of a reputation for being uncommunicative. So four gold stars for the managers of Lazard Development Capital funds record is exceptional by BES industry standards.

On Tuesday, some 500 shareholders passed through the airport style security barriers at the Queen . Elizabeth II Conference centre in Westminster, London, to be told all about the performance of Lazard's 11 funds.

This is the third time Lazard has taken over the QEH hall, and LDCL chairman Douglas Hudson reports that it's worth it for investors' feedback. His impression is that "investors are more concerned with investment matters generally, such as rights issues and early realisations, the issue of capital gains tax payable on disposals and so on, than specific company performance."

But all in all, Lazard's early funds have not done too badly, particularly in terms of survival rates. Of the first fund, launched in the 1983-4 tax year, nine out of 11 companies have survived.

One Resort Hotels, has been floated on the Unlisted Securities Market and realisations have been agreed for five others. This compares well with the majority of their early competitors, as BES investment was undoubtedly trickier and riskler in the early days.

Unfortunately, the first fund's present valuation is only 17 per cent above cost value. This reflects problems with Blue Ridge Care, e nappy manufacturer, which has been hit by intensive competition, both in price terms and by the popular new ranges of bleach free "green" napples. The extent to which one company can affect the fortunes of the whole fund is alarming.

As Colin Watts, a usinessman and shareholder in some of Lazard's other funds, said: "If I'd bought the first fund, I'd have been pretty annoyed at e 17 per cent return over the last five years. I like the idea of investing inyoung companies, but there is less incentive to invest in BES than there was five years ago because of the drop in the tax rate. I don't like assured tenancies much and I'm beginning to wonder whether the best wey to invest in BES companies isn't by getting together with other investors

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

and finding your own . Nevertheless LDCL has done a good job with communications, and the Portfolio review is

considerably more forthright than the average sponsors' newsletter: On the whole, shareholders seemed impressed by the conference and were enjoying the stands of 20 or so Lazard companies, ranging from healthcare products to Fled Piper toys, which was doing a routing trade in "educational toy" presents for children.

Lazards is understandably anxious to try hard; the amount of money its funds raised in the 1968-9 tax year fell to £5.1m from £13.5m in the 1967-8 tax year, although the 1968-9 tax year. the 1968-9 year was a bumper year for the industry as a whole, which raised £354m. Lazards lost out because it did not offer closed company schemes or a regional choice of property investments, which proved highly popular elsewhere.

This year looks discouraging for the industry as a whole, too. In the six months to October, only £10.89m had been raised under BES compared with more than £105m by December last year. The majority of schemes which closed in October have been left undersubscribed.

agency office, where there are Sax free investmen

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be aware that tax assumptions may be subject to statutory change. Investors should remember that the value of units and equities and the income derived from them



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"Lloyds Bank trialifax 90-day: immediate access for balances over £5,000.4 Special facility for extra £10,000 \$50urce:Phillips and Drew, \$5Assumes 5.5 per cent immation rate. 1 Paid after deduction of composite rate tax. 2 Paid gross. 3 Tax Iree. 4 Dividends paid efter deduction of basic rate tax.

FINANCE & THE FAMILY

No tax on Treasury stock

1961, leaving an estate valued at around £10,000. Two properties were left in trust, one for my mother and the other for my aunt for their life-times. On their deaths, the one my mother occupied was to pass to my sister, and the one occupied by my aunt was to pass to

In 1983, my aunt had a stroke and, eventually, was moved to a nursing home. She was no longer able to administer her affairs, so a Court of Protection order was made. The property was sold and the capital invested to provide my aunt with some income from the interest.

My aunt was the last surviving trustee of my grand-mother's will settlement but, because she was no longer capable of acting in this capacity, her danghter and I were appointed trustees of the set-tlement in September 1984, with a trust deed being com-pleted formally. The proceeds from the sala of the property, £37,000, were invested in 5 per cent Treasury stock 1986/89.

My aunt died on April 6,
1989, and I instructed the solicitors dealing with her affairs to allow the stock to run to maturity in October, rather than selling and passing the money over to me as

mother's estate. As the stock is in the names of my cousin and I, as trust-ees, I wish to know if I will be liable for capital gains tax as the remainderman, or will I be entitled to the full amount of £37,000, as I understand that government stock is not normally subject to capital gains

remainderman of my grand-

tax.

We are glad to say that there will be no CGT liability upon the redemption of the Treasury stock, by virtue of section 67 of the Capital Gains Tax Act 1979 (as rewritten by section 59 of the Finance Act 1986).

Permit is needed

ON LOOKING through the deeds to our house, we have found an action sheet, dated 1871, that describes one of our timber-framed out-buildings as a cottage. On inspection, you can see clearly that the interior walls and ceilings were constructed of lathes and plaster, which indicates a high degree of finish not normally

BRIEFCASE

affordable to outbuildings.
Would we be within our rights to renovate this building into a dwelling house, or would we have to apply for local planning permission to

You would still need to apply for and obtain planning permission if the out-building ceased to be a cottage before 1963.

Drama over a musical

I HAVE regular profits' distributions from from a long-running West End musi-cal in which I have a modest investment. During this financial year, I have lost an entire investment in a provincial tour of a musical revival. I want to offset the loss on the latter against the profits from the former for tax purposes. It is my understanding that the regulations on this were amended about four or five years ago to permit such action at a time when the West

End was in the doldrums. ■ Unfortunately, you forgot to tell us whether your income from the long-running show is from the long-running show is being assessed under case III (on the preceding year basis) or case VI (on the current-year basis). It does, at least, seem clear that it is not being assessed under case I (on a slightly different preceding-

year basis).

If you are a case VI angel, you have no problem. Your case VI loss on the flop is deductible from your case VI income from the hit (and from the party VI income) by any other case VI income) by virtue of section 392 of the Income and Corporation Taxes Act 1988. All you have to do is submit a formal claim for your case VI loss to be offset in accordance with section 392.

On the other hand, if you are a case III angel you face a

dilemma:
1. If you leave things as they are, the loss on the flop will be calculated according to the rules of capital gains tax and will be daductible only from

chargeable gains. 2. If you ask to switch from case III to case VI (in accordance with the minister's written answer of March 1, 1983, column 101), your tax inspector will probably seek to re-assess you under case VI rules for the past six years, which might produce an extra income tax bill depending upon the rele-vant figures for the past seven

Exemption will stand

MY SON has spent two years in the Far East as export man-ager for a British group. While away, he has let his house in England (furnished), expecting to return. He has no mortgage. His employers are now bringing him home nine months early because they need him to take over management of an ailing business in Wales. He has to buy a house there and cannot sell the house in England until next year, due to the tenancy. There are two questions:

1. To gain CGT exemption over his period ahroad, he should re-occupy the house on his return. He cannot now do so. Has the Revenue inspector discretion to allow the exemp-tion, nevertheless, subject to confirmation of the circum-

confirmation of the circumstances by the employer?

2. He wishes to take a loan on the house, to help finance a new one and to set against the letting income. At this stage, a new "main dwelling" mortgage on tha existing house would not be allowable against main income. But against main income. But would a new business loan be allowable against the letting business income?

1. If you ask your (or your son's) tax office for the free booklet of extra-statutory concessions, IR1(1988), you will see from concession D4 that the answer is YES: "This condition will be treated as satisfied where, after a period of absence falling within section 103(3)(b) . . . an individual is unable to resume residence in his previous home because the tarms of his employment require him to work else-

2. The answer is NO (although we are not sure what you mean by "a new business loan" in this context). You could ask the tax office also for the free booklet on the tax treatment of interest paid. IR11, from which you will see that the assumption in the sec-ond sentence of the preamble to question 2 is not necessarily

CGT on valuables

IN THE summer of 1988 I sold silver, jewellery and sover-eigns. These were all pur-chased in the early 1970s. All articles were of a personal or domestic nature. Do they attract capital gains tax?

The sovereigns are exempt from CGT (by virtue of section 19(1)(b) of the Capital Gains Tax Act 1979) unless they were minted before 1837. But the silver and iswellery are liable to minted before 1837. But the shiver and jewellery are liable to CGT, except for any items (or sets of pieces) sold for a price below £3,001 (by virtua of section 128 of the CGT Act 1979, as amended by section 81 of the Finance Act 1982).

It will be necessary for each item (or set) which fetched more than £3,000 to be valued as at March 31, 1982 — market value, that is, not value for insurance purposes (which is generally perposent value) generally replacement value). The cost of ascertaining tha March 31, 1982, value of each item (or set) should be deduct-ible in calculating the charge-

able gain. able gain.

For example, suppose the Inland Revenue agree that a silver tea service sold in July 1988 by private bargain for £3,150, having cost £1,000 in 1972, might reasonably have been expected to fetch a price of £2000 on March 31 1982, and that the cost of ascertaining that March 31, 1982, value was

If you are a higher-rate tax-payer (for 1988-89), the CGT bill on that service would be £100, viz 66% per cent of the excess of the sale price over £3,000. If the inland Revenue were persuaded that the service could have been sold for £2,100 on March 31, 1982, the CGT bill would be only £91.60, viz 40 per cent of £2100 - £100). The explanation of these rather odd-looking elegitions is to be found in calculations is to be found in section 128 of the CGT Act.

WHY TAKE the risk of losing your shirt overnight in shares when you can earn a real rate of return above inflation, with out taking any chances? That could be a question many investors are asking after the recent turmoil in the stock markets. The answer is that the present high level of interest rates provides considerable opportunities for achieving a high, short-term return on your money without the risk of being undermined by the

whims of Japanese hankers.

The full impact of the recent rise in base rate to 15 per cent has yet to come through. As usual, it has tended to affect the cost of borrowing - includ-ing mortgages - first, and the banks and building societies have been much slower to increase the return to savers.
David Black, of Blay's Guide,
which maintains a close watch
on mortgage and deposit interest rates, says the picture is
unlikely to become clear until November 1.

Nevertheless, some increases in the rate paid on deposit accounts are trickling through, mainly from the smaller societ-ies and banks for specific accounts. At the same time, several of the banks offering Money Market Accounts (quoted daily in the Financial Times), which are linked to the wholesale sources of money, have put up the interest paid to very competitive levels, as shown in the accompanying table supplied by Blay's

With only certain exceptions, though, these are variable rates which would be marked down quickly if base rate was to be lowered. A few societies do offer a fixed return over a limited period, but it is more common to guarantee to maintain only a set percentage dif-ferential over and above the society's standard rate. The total return still varies if the standard rate is changed.

Banks and building societies also set a trap for higher-rate taxpayers. They pay a net rate, after deduction of composite rate tax; but for calculating the rate tax, but for calculating the liability to higher-rate tax, the interest is grossed-up by a notional 25 per cent as the basis for calculating the extra 15 per cent tax payable. So, if you were paid a net rate of 12 per cent, this would be grossed up to 16 per cent and the actual rate received by the higher-rate taxpayer would be 96 per cent.

9.6 per cent.

A different method is applied to the interest received on guaranteed income bonds. Here, the higher rate tax of 15 per cent is payable on the actual return, so a quoted net actual return, so a quoted net

There's scope for profiting from interest rates, says John Edwards

High returns and low risks

high-rate taxpayer. Guaranteed income bonds, issued by insurance companies and, therefore, backed by the Policyholders' Protection Act compensation scheme, are pro-viding some very high interest rates fixed over a specified period. As the accompanying table shows, the rates vary in accordance with the time period and minimum amount

The highest rate available now is 12.30 net (10.45 to a 40 per cent taxpayer) for a mini-mum of £100,000 invested for a year. The rates decline for a longer period (up to five years) and for smaller minimum

The interest rate can also be affected by the frequency of

New Direction

New Direction

New Direction

New Direction

Regency Life

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remium Life

Hill Samuel

1.000

5,000

15,000.

25,000

5.000

25,000

1,000

1,000

return of 12 per cent would be income payments mada worth 10.2 per cent to the monthly, quarterly, half-year monthly, quarterly, half-yearly or annually. John Dyson, of Thomson's Financial Planning Consultants, points out that if you do not need the income, or do not want to receive it for tax reasons, you can opt for growth bonds where the interest is compounded and not paid until the bond matures. In this way, you can defer paying the tax until you want, such as after the introduction of independent taxation for married couples or when your tax liability has dropped as a

result of retirement.
Guaranteed income bonds. sold primarily by intermediaries and insurance companies direct, do not suit everybody as they mean locking your money away and taking a gamble that interest — and inflation —

GUARANTEED INCOME BONDS Not % 11.75-11.90 14,999 12.10 12.20 12.00 24,999 99,999 12.10

10.00

rates won't go even higher.

If you believe inflation will continue to rise, then the best bet is index-linked National Savings certificates. To earn the highest rate of interest, 4.04 per cent above the rate of inflation, you have to hold the certificates for five years. But you can cash them at any time after, 12 months and still receive 3 per cent above inflareceive 3 per cent above infla-tion. So, if inflation averages 7.5 per cent over the 12-month period, you would receive 10.5 per cent tax-free. The drawbacks are that the maximum investment is only \$5,000 and that you are gamble.

ing on the rate of inflation.

The recent rise in interest rates has made the other National Savings products National Savings products even more uncompetitive, with the exception of Capital Bonds for non-taxpayers. Since the government no longer relies on National Savings to raise additional funds, it seems unlikely that it will bother to increase the rates to more attractive

Gilts (government securities) are the other obvious alterna-tive to shares. They moved up sharply on Monday in response to the possibility of interest rates being cut to avoid a collapse in the share market. Now that seems unlikely to happen and, indeed, there could even be a further rise if sterling comes under renewed pressure.

Cilis are a highly-volatile (and, therefore, dangerous) investment unless you are prepared to hold them until maturity. In that case, you can calculate your return over the years pre-

It can be argued that now is a gold time to buy gits if you believe that interest rates have peaked. But this is a speculation since, at present, the returns are not competitive and the market is distorted by the government's buying-in policy.

	BEST R	ATES OF	RETURN			
			Net comp	ounded .	Notice	Molecum
institution	Account name	Net %	25% Tex	40% Tax	period	deposit
Standard Property Wimbledon & SW Western Trust & S Humberclyde	Int current High int chq High int chq High int chq	11.35 11.35 11.35 11.73	11.35 11.84 11.84 12.26	9.08 9.47 9.47 9.80		£1 £500 £25,000 £50,000
Altled Trust Bank First Direct Confederation Bank Confederation Bank Confederation Bank Confederation Bank Confederation Bank	1 month 30 days 90 day inv	11.35 11.50 10.57 10.84 11.13 11.36 11.49	11.96 12.13 11.00 11.40 11.60 11.86 11.99	9.57 9.70 8.80 9.12 9.28 9.48 9.60	1 Month 30 days 90 days 90 days 90 days 90 days	\$2,001 \$50,000 \$500 \$5,000 \$10,000 \$20,000 \$25,000
Nottingham BS Bradford and Bingley BS Town & Country BS	Anniversary Max elito Classic	11.66 11.75 12.00	12.60 12.10 12.00	9.60 9.66 9.60	1 year 1 year 1 year	£5,000 £10,000 £25,000

Our U\$ Bank Accounts are attracting a lot of interest

Bell Savings Bank has been serving many thousands of satisfied depositors in USA for over 60 years, offering traditionally high US Dollar interest rates and fast efficient service. We now offer the same benefits to international depositors with many advantages:

- Minimum opening deposit only £500 or US Dollar equivalent.
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cial facilities required.

At this point, hard decisions have to be made. These centre on whether relatives, or the DHSS, or the local authority, or another source such as a charity of the such as a charity or another source such as a

charity, are willing to contrib-

ute directly to keep the person in the home to which ha or sha is used — or whether cheaper

accomodation should be

sought. Local anthorities usu-ally register residential care

homes, which are defined as providing both personal care and residential accommodation

with board. They are mainly for people who for various rea-sons – including old age, disa-

blement and Illness - are no longer able to cope at home. Nursing homes offer a higher

degree of care and are regis-tered by the regional health

No professional qualifica-

tions are required for the regis-

tered owner, although local

authorities and the DHSS pre-

fer previous experience and

themselves that the persoo is

fit to run such an establish-

ment. It is possible to obtain

dual registration for both resi-dential and nursing care so

that people living in the home

can be moved from one side to the the other as their condition

The stricter rules governing

nursing homes require that the

"person in charge" at all times of the day and night should be qualified suitably, which means either a resident doctor or a top-level nurse (called

Often, she will be a former ward sister with nursing and

Staffing levels in nursing homes are high. Indeed, in

order to cover shifts, smaller

homes often have more

employees on the pay-roll than the number of patients living

First Level in the profe

administrative training.

There's money in taking care

Roy Hodson examines a sector with increasing appeal

OWNING NURSING and rates (providing the owner residential care homes has become altogether more professional become altogether more profes-sional and specialist than it was before the Registered Homes Act 1984 became law four years ago. Anyone think-ing of eotering the sector will soon detect that it has under-gooe some radical changes during that time. Traditional concepts of the "old people's home" have been replaced largely by a brisker type of organisation with a business plan as well as a mission state-

It is also a business which has the peculiarity of involving a high degree of interchange between the private sector owners and managers, the health service and local authority social services. For that passes it is which the between the process of the passes in the process of the process o that reason, it is unlikely to be a business for the sin-gle-minded entrepreneur who is not over-fond of co-operating with bureaucracies.

That proviso apart, there are a number of appealing aspects to running a residential care or nursing home as a small busi-ness. So appealing, in fact, that nearly 1,000 homes have been changing hands every year -and 63 per cent of people starting them up are first timers who have never owned a business before.

A couple with limited means, but confidence that they have the drive, tenacity and practical experience to buy and manage a home, will find the banks and financial institutions better disposed generally to such a project than many other

types of business venture. The homes themselves provide excellent bricks-and-mortar security. And the institu-tions specialising in that area of lending know that a precise financial plan can be drawn up, for the finances involved usually are straightforward. The number of residents the home can accomodate is known, the fee income can be. assessed accurately, and the running costs are calculated

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So long as the proprietors John Howard is managing manage their establishment director of Christie and Co., a efficiently, and keep all the rescompany specialising in selling efficiently, and keep all the residents' rooms occupied, they can look for a gross profit of between 30 and 40 per cent on turnover. That figure is after paying staff salaries and food bills but before paying their bills but before paying their acre; and he believes the opti-own salaries and servicing mum size of new, purpose built debt. Homes are exempt from

tious entrepreneurs — is that the turnover of a home is lim-ited by the nature of the business. Yoo can expand only by building more rooms or open-ing another home. There is lit-tle latitude to increase profits by charging higher fees than

the competition.

Homes are safe in business terms; few of them go bust. And it is because of the safe nature of the investment that comparatively large sums can be borrowed to buy and convert former large private vert former large private homes or vicarages. There are few other areas of business where a couple planning their first venture may be able to raise £500,000 or more.

The Thatcher Government is

and 40 per cent aonually. Christie's records show the average price of a home chang-ing hands increased to £361,029 before the end of the property boom. At such prices, a home needs more than 20 beds before It can be a viable proposition; and the days of the small residential homes run actively by

AVERAGE SALES PRICES YEARS COMPARED INDEX 1975=100

	1985	1986
Nursing & Residential Care Homes	100	106
Christie & Co. Average Index	376	428
Retail Price Index	262	272
House Price Index	320	364
	_	

encouraging the long-term growth of nursing and residen-tial care homes, both to relieve ures upon the public se tor and to help take account of an ageing population requiring more carefacilities all the time. And since the ground rules for running homes became clearer with the 1984 Act, there has been a 50 per cent expansion in their number in England and Wales. About 15,000 are registered now with an average size of 14 bedrooms accommodating 17 people.

Clearly, the rate of increase in homes during the past few years has been exceptional. But while the latest signs are that the boom is tailing-off, the trend for existing homes to be expanded and re-equipped to ever-higher standards is likely to continue vigorously.

als and companies are more ready than ever before to build on existing sites as well as ongreen-field sites of np to an homes will be for 40-plus resiNo big companies dominate the market yet. But Howard points out that there is a trend for individual owners to join together as companies running small groups of homes, in addition, a oumber of companies have entered the market to build and run homes on a large

Before the market slowed this year, the prices of care homes coming onto the market had been rising at between 20

431 a husband and wife for 12 or

fewer patients seem to be num-

1987

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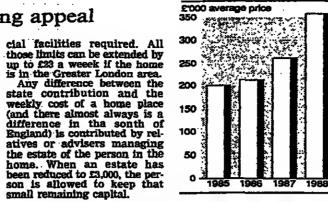
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Property prices now depend very much upon the quality of the individual home and, above all, its location. The demand for places in homes is highest in the south of England, where properties are most expensiva (although families able to pay private fees are concentrated heavily in the south).

Depending upon the role of the home, fees in the south of England can be as high as £300 week. Fees io northern homes, where property is cheaper and fewer families can afford private care, teod to match the Department of Health and Social Security maximum contributions, which

are about half that level.

Maximum fees payable by local authorities for accommodation in privately-owned residential homes range from £140-£200 a week, depending upon the elderly person's age and physical and mental state. Care in private sector nursing homes is the responsibility of the DHSS and maximum payments range between £190 and £235 a week, reflecting the speAverage Nursing & Residential Care **Homes Price**



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From penniless students to wealthy entrepreneurs

How a migrant couple built-up a business with two nursing care homes and a third on the way

DANNY Shamtally, from Mauritius, arrived in Britain at the age of 18 with a place on a student nurse training course at Belmont Hospital, Surrey, and not much else. That was in 1970. He and his Filipino wife, Carmelita, are now well on their way to being millionaires on paper, at least. They own two private nursing homes in

the county, with a total of more than 40 beds, and are buying a third. They are out-standing examples of the way a nursing background can lead people with an interest in run-ning something of their own into the care homes business. They met and married while ourses, and both eventually qualified as Registered Mental

Nurses. Danny worked as an assistant officer and then officer in charge of council-owned residential homes in Sutton and Wallington for 10 years before they opened their first private home in 1983. They used a Lloyds Bank

mortgage to buy a Victorian house in Sutton for £88,000 and opened for business just before the 1984 Registered Homes Act, which was to help bring about a widely expanded national market for residential and nursing home places. Now, Carmelita is matron there while Danny spends most of his time managing their sec-ond home, Chalden Rise, in Merstham.

Looking south from the slopes of the Downs, with a large garden beyond tha French windows, Chalden Rise used to be a comfortable, stock-broker belt home. The Shamtallys have turned it into a psycho-geriatric category nursing home at rates of £300 per person a week. With day and night nurses, catering and cleaning staff, they are employ-ing 24 people to look after 20 resideots. (Danny drives a minibus for outings. He acknowledges that he

would not have dared to open such a specialised home with-out his own background in psy-chiatric nursing. But, just one year later, he believes he has an efficient and profitable unit an efficient and profitable unit running in a style he is confident he cao repeat if he acquires a third home. Such rapid expansion follows

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Danny and Carmelita Shamtally: a third home is planned

the style of go-ahead business people in the care homes sector who are expanding their businesses by almost the only way open to them - providing more beds. Danny says he has never had an empty bed at either of his homes and there is always a waiting list for the next room that becomes vacant, despite his fees being in the more expensive segment of the sector. The homes are run with a relaxed, country house atmosphere and almost every person has an en-suite bathroom.

To buy his second home, he restructured his family and business finances (he and his wife work as a business partnership) with the Bank of Scot-land and obtained a £500,000 loan at 3 per cent above bas rate over 15 years. Almost all

the profits contioue to be ploughed back into the busi-ness. Competition is growing, but he says: "Although a lot of homes are being opened now, it doesn't frighten us. We still get a call oo average at least once a day from someone looking for a bed for a relative or a patient.

The Shamtallys are well on their way to realising their ambition to manage a group of nursing homes. Danny has firm ideas about size. "They can be too big and become mini-institutions," he says. "I believe the magical figure for a nursing home is 20 residents. Below that level, the fees do not cover the overheads unless the owners work full-time in it."

R.H.

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MOTORING/DIVERSIONS

HERE ARE more best car of the year awards than a motor manufacturer could shake a gearstick at, but the one that counts is the European Car of the Year contest which started in the 1960s when the Rover 2000 triumphed. The winner is decided by a jury of 58 motoring writers from 17 countries. Each has 25 votes, but no more than 10 can be awarded to any one car.

They are independent of the car-makers although liable to be influenced by such human frailties as nationalism and prejudice. Thos, a Japanese car, however deserving, has never won the award. For that matter. I don't suppose a European car will win the Japanese equivalent.
But does the award always

mean the car is an outstanding piece of merchandise, a best buy in its class and destined for great commercial success? You have only to look down the list of past winners to see it does not; the Austin 1800 (1965), Chrysler Alpine (1976). Rover 3500 (1977), Chrysler Horizon (1979) and Renault 9 (1982). They were variously unreliable, tinny and boring, or put together with so little care they disgraced their maker's

There have, though, been some trend-setters that deserved the award: the Renault 16. for example, an odd-looking but comfortable and practical hatchback (winner in 1966); the Fiat 124 (1967), pensioned-off years ago in Italy but, as the Lada Riva, still the mainstay of Soviet car produc-tion; and the NSU Roso, a superbly designed and styled saloon of 21 years ago. It looks good today but was a commer-cial disaster. Its Wankel rotary engine wore ont rapidly and had a dipsomaniac's thirst. The Roso broke NSU, which was later absorbed by Volkswagen.

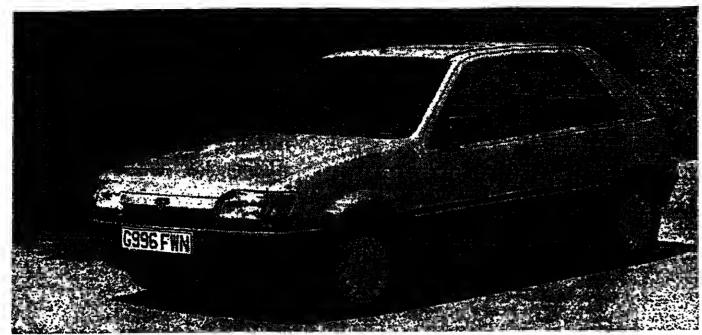
Worthy winners in more recent years included the Citroen GS of 1971, a hotbed of innovation in the family car class; the Fiat 127 (1972), first of the super-minis and inspiration for Ford's first, long-lived Fiesta; and the Citroen CX of 1975, a designer's dream of a

Curionsly, the endlessly best-selling VW Golf did not win the award, although clearly it would have done had it not been up against the CX. The ever-popular, front-wheel driven Ford Escort won in 1981. (That year was the only time I was right in my forecast of the first three past the post; the runners-up were the Fiat Panda and Austin Metro, in that order). The Fiat Tipo

a speciality.

Rover, VW, etc.

subject to status.



The Ford Fiesta Ghia . . . looks likely to battle it out with Citroen for the coreted award

A triumph for France?

Stuart Marshall tips Citroen's XM as Europe's Car of the Year

Rich fare in Tokyo

(1989) deserved to be Car of the Year as did the Peugeot 405, an overwhelming winner in 1988. And this year? The 14 entrants at the starting gate (eight of them Japanese, six European including one from Czechoslovakia) are the Audi V8, the Citroen XM, Daihatsu Applause, Ford Fiesta, Honda Accord, Mazda 323, Mercedes SL, Nissan Maxima, Nissan Prairie, Nissan 2008X, Skoda Favorit, Subaru Legacy, Suzuki Swift and the Volkswagen Cor-

If any of the Japanese cars was European, it might be in the running. As it is, 1 think the Citroen XM and Ford Fiesta are the likeliest winners, with my money on the XM beating the Fiesta by a

The XM is an inspired shuffling of components used on the more conventional Peugeot 605. It feels and rides exactly as expected of a Citroen but has none of the oddities that used to put people off the marque. It is also good value for money. The jury takes this into account along with safety, handling, economy, styling, com-fort, performance, practicality and driver satisfaction.

The Ford Fiesta, designed to up-stage Europe's leading super-mini, the Pengeot 205, breaks no new ground but is an excellent car. It rides as

well as any in its class and better than most, with a wheelbase longer than the Ford Escort, Buyers have a choice of power units, with carburettor or fuel-injected petrol engines and a diesel of realistic capac-ity (1.8 litres). Bodies are three-or five-door, transmissions five-speed manual or continu-

ously variable antomatic. Prices were not increased

when the the model changed. After the likely winner and runner-up, there are several each-way bets. The Mercedes SL convertible will win votes for its superb quality, the best fully automatic folding hood yet seen, and its concealed (but instantly-deployed) roll-over protection bar. Mazda's 323 range of three and four-door hatchbacks and four-door saloon, launched simulta-neously and looking quite dif-

OF ALL the motor shows, the one not to miss is Tokyo's,

which opened to the public

November 6. This year, it is being held for the first time

Centre, balf-way between

It is one of the world's

at the new Nippon Convention

Narita airport and downtown

biggest, with more than 1,000

vehicles on display. And if there is another show to which

you can sail in a scheduled

With the Frankfurt show

2,000-tonne ferry ship, I

haven't heard of it.

yesterday and closes on

ferent from one another, are refined, have outstanding pain-twork and are fitted with pow-er-assisted steering. That is sensible marketing, they could

Of the Nissans, I suspect the sportingly elegant 2008X — powered by a 1.8-litre, turbocharged, 16-valve engine could attract more votes than the two- or four-wheel driven Prairie "people mover" or the Maxima, the European-style executive saloon. The jury likes fast, inexpensive cars such as the 2005X.

Honda's new Accord, which looks rather like the old one, will score some points simply because it is a Honda, with all that means for quality and advanced technology such as availability of four-wheel steering. The three other Japa-nese – the Daihatsu Applause,

only a few weeks past and London's Motorfair still on,

going to a third show is like

attending a banquet three

nights running. It gives automotive indigestion. All

the cars seem to merge into a multi-coloured mass of

metal, glass, plastic and

But apart from being

dazzled by the display of

Japan's automotive genius -the word is not too strong

I took the opportunity to drive some of Nissan's latest

cars on a proving ground." More of this next week.

rabber.

Snharu Legacy and Suzuki Swift – will end up at the back of the field. They are not poor cars – to judge by their specifications, quite the reverse but they are from relatively small, lesser-known manufac-

Audi's V8, the first large, luxury-class saloon to have four-wheel drive and automatic transmission, was received less than enthusiastically at its launch a year ago. It was felt to be a bit soft compared with other Andis and to lack some of the refinement of its rivals such as the RMW 7-series and Mercedes S-Class 1 don't rate its chances too highly.

The VW Corrado is attractive of the refinement of its rivals such as the rivals such as the

tive to look-at and goes very well. But the jury might well wonder if a VW-badged, Golf GTI-based sports car can justify a higher price than, say, a Nissan 2005X or Toyota Celica

I doubt that the Skoda Favorit will be the tail-ender, if only because it represents a quantum lesp in design by east European standards. Skoda is still making rear engined fam-ily cars, although the rest of Europe dropped them a generation ago.

Were I making a book on Car of the Year, my odds would be; Evens: Citroën XM, Ford Fiesta; 21: Mercedes SL: 31: Mazda 323; 7-2: Nissan 200SX, Nissan Prairie, Honda Accord; 10-1: Audi V8, Nissan Maxima VW Corrado; 50-1: Daihatsu Applause, Skoda Favorit, Subaru Legacy, Suzuki Swift.
The result will be known early in December.

The 'victory' for women that turned to ashes

Victoria Schofield on a revolution that wasn't-

peris. The dregs of the popula-tion brutalised by drink." In her memoirs, Madame de Stael thus describes with indignation how a crowd of 6,800 women marched to Versailles on October 5, 206 years ago. Some were riding on camous; others carried sticks, cudgels and knives. Their journey from Paris in pouring rain took six hours.

"They had come asking for bread," wrote Madame de la Tour du Pin, lady-in-waifing to Marie-Antoinette. A young flower girl gained an audience with the King and begged him to ensure that Parls was supplied with corn and flour. Louis XVI granted her request, and some of the women returned to Paris.

But during the night the demands of the crowd changed: they began to insist that the King return to Paris, away from the corrupting influence of the court. The arrival of the citizens' militia, led by the reluctant Marquis de Lafayette, swelled their numbers to nearly 30,000 and increased the volume of their demand.

Reluctantly, amid mounting violence, Louis XVI agreed; the following day the crowd escurted the royal family triumphantly back to Paris. They carried bread on the end of their pikes as well as the heads of two royal bodyguards, severed as the mob had rampaged through the pal-

As they marched the women

To Versailles like bragging We brought with us all our We had to show, though we were but women A courage that no one can

reproach us for.

Overnight, an economic demand was transformed into a political victory, achieved by woman. The King never again returned to Versailles. The pide ture of women sitting astride

their collective strength. But, despite the sudden "pol-iticisation" of the crowd at-Versailles, the majority of women who took to the streets

OMEN and children armed with
economic grievances, espepikes and scythes,
gathered from all
there was no unity of action or
chievants. There was no unity of action or
chievants. objective among women; only a small minority contemplated political rights and their activities centred mainly on Paris.

In the early days of revolution, the assertive role of women in demonstrations; such as the march to Ver-sailles, went unchallenged. But this did not mean that republican men expected to give women political rights. The Declaration of the Rights of Man of 1788 referred only to

men. The National Assembly only recognised male voters. When, soon after the march to Versailles, a number of Parisian women demanded the right to be able to elect repre-sentatives to the Assembly. they were refused.

Their justification came from the writings of Jean-Jac-ques Rousseau, who giorified

Support for women's rights also came from England. Mary Wollstonecraft's treatise, "On the Vindication of the Rights of Woman," was published a year after Olympe's declaration and translated into French. In December 1792 she arrived in person to winess the revolution first hand.

the revolution first hand.

But the active participation of women through their writings and in demonstrations achieved little for their political rights. In 1792, the first French Republic was established the control of the contro lished; men were granted uni-versal suffrage, but women versal suffrage, but women were once more excluded. In early 1793 a radical women's club, the Society of the Revolutionary Republicans, was founded by Claire Lacombe, an actress, and Pauline Leon, a chocolate maker. Combining feminist demands with mili-



mporary print depicting the march on Versallies

children, directing the work of her domestics, procuring a happy life for her husband and prudently governing the

Women scorned the involvement of their own sex in politics. "It is right to exclude women from public affairs. Nothing is more opposed to Marat, acting alone, she their natural vocation than a believed his extremism was relationship of rivalry with taking the revolution away men." wrote Madante de Steel. A liberal aristocrat, she chose to exert her political influence through the men in her life: her father. Finance Minister. ander Louis XVI, in 1789 and her lover, the Comte de Nar-bonne, Minister of War, in

Among the republican bourgeoisie, women also held back from open involvement in pub-lic affairs. Although fascinated by politics, Manon Roland never contemplated a public role for herself as wife of the Girondins Minister of the Inte-rior. When deputies met in her Salon, she kept silent. "I knew the proper role of my sex and never exceeded it. I always had some work for my hands or wrote letters while they were talking. But, however many letters I might write, I did not miss a word of what was being said. Sometimes I had to hite my tongue to pre-vent myself putting a word

The only Frenchman who wrote openly in support of women's political rights was the liberal aristocrat, the Marquis de Condorcet. Either no member of the human race has any natural rights or they all have the same. In the suammer of 1790 he demanded that women be allowed to vote.

The women who did play an

active political role came from the fringes of Perisian society; the playwright, Olympe de Gouges, championed the cause of women in pamphlets which she distributed throughout she distributed throughout Paris. Her most significant work was the Declaration of the Rights of Woman and the Citizeness, addressed to the Queen, and published in 1791. "Woman has the right to mount the scaffold, she has according the right to mount the equally the right to mount the speaker's platform."
Increasingly, women like

Olympe de Gouges began to frequent the mixed "fraternal" clubs which became popular places for revolutionary debate. They contributed to journals and formed delegations to petition for their rights. The club most dedicated to women's rights was the Confederation des amis de la verité," founded by the Dutch Baroness Etta Palm d'Aelders in 1790. We are you companions and not your slaves." She actively campaigned for divorce, an impor-tant feminist issue and wanted to establish a network of

women's clubs.

Theroigne de Mericourt, the "beautiful foreigner" from Belgium, wanted to form a regiment of women to fight france's enemies. "Let us arm ourselves! Let us show men that we are not their inferiors in courage or in virtue." She had been in Versailles in 1789 during the Women's march and reminded her audience of its significance. "Our conduct

motherhood and women's tent republicanism, their "natural" role in the home. Is activities marked the high-there a sight so touching, so point of women's role in poli-respectable, as that of a tics. Temporarily they found mother surrounded by her common cause with the extremist Jacobins and used the library of the Jacobin club for their meetings. The Jaco-bins in turn made use of their collective strength to expel the Girondins from the National

Convention in June 1793.

A month later Charlotte Corday murdered Jean-Paul and justice. I knew that Marat was perverting France. Only in Paris were eyes turned towards him in fascination. Elsewhere he was regarded as a monster."

But her action was the pretext for the Jacobins to turn on women: The effect of the killing was the exact reverse of what she had intended, and it also gave impetus to the anti-feminism that already existed," writes Claire Tomain, Mary Wollstone-

> They didn't even get the vote - until 1945

craft's biographer. "Now that one woman had appeared as an assassia they could claim that this was the logical outcome of allowing any woman to leave their proper sphere between cradle and oven and meddle in the affairs of men." Charlotte was branded as a virago who had "simply cast off her sex" and sent to the

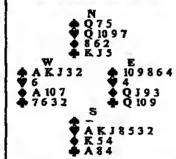
guillotine. The Jacobins also took vantage of the increasingly violent street fights between the Revolutionary Republicans and the Parisian market women to ben all women from political activity. In October 1793, the women's clubs were 1793, the women's crups were closed for disturbing "public peace." Under the new puritanism of Robespierre's "virtuous republic" women were to revert to their traditional role in the home; their dalliance with politics was regarded as

an aberration.

The downfall of the women who had played an active role was to be a lesson to all. Olympe de Gouges was sent to the guillotine for undermining the unity of the republic; even Manon Roland was executed for ignoring the "virtues of her sex" Theroigns de Mericourt ended her days in a lunation of the sex of the tic asylum. Lacombe was branded "a tool of the counterrevolution;" she and Leon fell silent. Etta Palm d'Aelders was banished.

dominated French men's thinking throughout the 19th century. Under the Ancien Regime women had some property and voting rights but these were all abolished dur-

hands, which I hope you will enjoy. The first occurred at rubber bridge of high standard:



South dealt at game to East-West and hid an Acol two hearts. North's raise to four hearts ended the auction. If South opens with one heart, West comes in with one spade and four spades, if reached, goes only one down.

The spade king was led and declarer took stock of the posi-

tion. He had nine top tricks

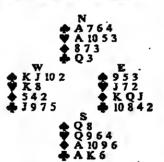
HERE ARE two interesting and the finesse in clubs, if successful, would yield the 10th - an Individual Contest held at but he wanted something bet- Deauville a few years ago: ter. Soon, the light dawned.

> Sonth allowed the king to hold, discarding a low club from his hand. West switched to the heart six, the seven won and dummy's seven of spades was ruffed. South now cashed the ace of clubs, crossed to the king and ruffed the knave. He re-entered dummy with a heart to the nine, returning the spade queen on which he dis-carded a diamond loser.

> West was forced to take and had no lead that was not fatal. A diamond lead would set up the declarer's king, while a lead of either black suit would concede the ruff discard, allowing South to ruff on the table and discard another diamond.

> The queen of spades would suggest an endplay to any rea-sonable declarer, but the duck at trick one might escape any but the expert eye. Would you duck?

The next hand comes from



1 dealt in the South seat with East-West vulnerable, and started the bidding with one no-trump – on the light side, but the "undergrowth" is good. North bid a Stayman two clubs and raised my response of two hearts to four. West led the club five. This is the type of hand in which you have to feel your way - there can be no drawing of trumps.

Winning with dummy's queen, I played the four of spades, which ran to queen and king. West returned the knave, taken by the ace, and a third spade was ruffed in hand. I now led my diamond nine. East won with the knave and played back the king to my ace. I made ace and king of clubs, throwing dummy's dia-mond loser, and ruffed my six of diamonds. The seven of spades was returned and ruffed in hand to leave a three-card

West beld king and eight of hearts plus the club knave. Dummy held ace, 10 and five of hearts. East had the knave, seven and two of hearts while I had queen, nine of hearts and the dismond 10. I led the 10, ruffed with dummy's heart 10 and East, of course, over-ruffed. But nothing could pre-vent me making the last two tricks, for East had to lead into my split trump tenace.

E. P. C. Cotter

Chess

THE FAVOURITES, Anatoly Karpov of the USSR and Jan Timman of The Netherlands, each won by 4%-3% in this month's Pilkington Glass world semi-finals at the Sadler's Wells Theatre, London. They meet next spring in a final eliminator to decide who challenges Gary Kasparov for his title in October 1990.

Karpov's series against com patriot Artur Yusupov, and Timman's against Jonathan Speekman of Britain, both were tied at 31/2-31/2 going into the eighth and decisive games. Then, the losers were caught by their relative inexperience

of match chess crises. Play in both series was fluctuating and uneven, with many unforced errors. Justice probably was done at the end; but the real victor was Kaspa-rov, who can feel even more confident of retaining his crown for many years to come.

The major surprise was how close Yusupov came to an upset he lost from a winning position in game three, won the best game in either match in game five, and missed clear chances in games two and seven. Karpov was caught out repeatedly in the opening, and often looked uncomfortable physically.

What saved him was that Yusupov, with a score of 0-7 in decisive games against Karpov

before the match, never seemed to convince himself that the eminence grise of Soviet chess was there for the taking. At last, in the final game, Karpov played like the champion we know and won by a powerful and sustained

Black: A. Yusupov. Queen's Gambit (Pilkington

Karpov hlitzed out his early moves, 13 in one minute, and Yusupov is hustled into error.

White has decisive threats,

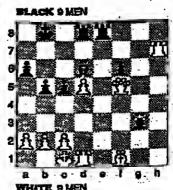
preparation. 20 ... g5 21 h4 f6 22 hxg5 hxg5 23 f4. Press room grandmasters expected the spectacular 28 Rh3 fxe5 24 Rxh7! Kxh7 25 Bc2+ Kg7 26 Qxg5+ Kf7 27 dxe5 Rae8 28 exd6 Rxe1+ 29 Kh2 Rh8+ 30 Kg3 Rg8+ 31 Qxg8+ Kxg8 32 d7. But given the state of the match, prag-matic Karpov preferred the sale option of a won ending.

23 ... Rae8 24 fxg5 fxe5 25 g6 Brg6 26 dre5 Qe6 27 Brd5 cxd5 28 Qxg6+ Qxg6 29 Rxg6+ Kh7 30 Rd6 Rc8 31 Re3 Rc2 32 Rd7+ Kg6 33 Rxb7 and Black, two pawns down, resigned at move 53.

Britain's Speelman per-formed a minor miracle by reaching the final game against Timman on level terms. Earlier, his play was plagued by oversights and he had a lost or poor position at some stage in all the first six

When Timman tried to clinch the match by switching from his normal 1 d4 to 1 e4 in game seven, Speelman caught him with a prepared opening (1 e4 e5 2 NB No6 3 Bb5 fb1?) and won in fine style. It often happens – for example, Karpov-Korchnoi 1978 – that a player who levels a match after great effort becomes over-ambitious next game. The turning point in the

century.



J. Timman (Netherlands) v. J. S. Speelman (Britain), Pilk-ington Glass world semi-finals 1989. Material is level, and some thought Speelman (Black, to move) had missed his chance. How did he force a

win?

Solution Page XXI Leonard Barden

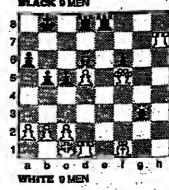
White: A. Karpov.

Glass world semis 1989). 1 d4 Nfe 2 c4 e6 3 Nf3 d5 4 Nc3 Be7 5 Bg5 O-O 6 e3 h6 7 Bh4 Ne4 8 Bxe7 Qxe7 9 Rc1 c6 10 Bd3 Nxc3 11 Exc3 dxc4 12 Bxc4 Nd7 13 0-0 e5 14 Bb3 exd4 15 exd4 Nf6 16 Re1 Qd6 17 Nes Nd5?

In this ancient Queen's Gambit, Black should avoid he which weakens the g6 square; later 13 ... b6 is safe. Even after 17 Ne5 theory gives 17 _ Be6 18 Bxe6 fxe6 19 Qb3 Qxd4 20 Qxe6+ with a draw. 18 Rg3 Rf5 19 Qh5 Bh7 20

since Black must weaken the pawns drastically round his king. Around this stage, Yusu-pov's chief aide was seen to turn pale, rush out of the press room to the bookstall and thumb hurriedly through a reference book on openings; Yusupov had forgotten their

decider was when Speelman could have won a pawn with at least a safe draw, but preferred complications which then turned against him. Speelman's consolation award is \$28,000 and, just as important to this modest grandmaster, the record for the best British performance in individual world title competition this



at Versailles on October 5 and

The belief that women were unsuited to a role in politics

ing the revolution. Although women did benefit from the divorce laws passed in 1792, the Napoleonic Civil Code of 1804 re-established unequal standards. Women remained economically dependent, and it was not until 1907 that French women were allowed to have control of their earnings; they did not receive the vote until 1945.

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The hills are alive, but only just

are becoming so environment-conscious

USTRIAN SKI sigpes that Mother Nature is going to get it right this winter and deluge the Alps with an oceanof perfect snow, this somes like dismal news. Fear not The greening of the mountains is a result of environmental pressure, not lack of snow. Austria's most up-market

Ches market del

at at women's rises.

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Control Symphole (No. 1) Symphole (No. 1

Distracted Ames

resort, Lech, the haunt of Europe's royal and rich recently flew 30 European environmental writers to witness Austria's attempts to put something back" into their resort after decades of damaging the ecology by the grass nice and short a virtually skiing it into the good effect because short grass ground. To be fair to Leth and generates a stronger binding some other resorts, this early representation of the grass too short.

1960s. But recently there have been increasing pressures from -environmentalists who daim that more and more swathes being backed through tees - aiready under attackfrom acid rain — are underguing the very structure of the mountains, causing a threat to the natural environment and an increased risk d avalanche. In addition

avalanche. In addition, earth-moving vehicles thurn up the topsoil and dump relatively barren earth on top of the slopes.

Austrian resorts which have been trying to redress the balance are a trifle indignant about this adverse publicity. They resent being tared with the same brush as other the same brush as other countries which seem to be exploiting the skiing industry without giving a dain about long-term environmental

consequences.
France, perhaps redictably, is said to be ignoring the problems. Even the Swiss, according to correspondents attending our gathering, are doing nothing.
Etwin Lichtenegger of

Klagenfurt's Institute of Plant Sociology was quickly nicknamed. The Green in Red because of the bight red two-piece protective clothing he wore as we taipsed, frozen and soaked to the epidermis, around the Kriegerhorn to see from the front ine the eovironmentalbattle being waged. Even on skis, in a blizzard in the depths of winter, I have rarely been so

winter, I have rarely been so cold.
Lech, an attractive old village, epitomises more than most the rags to riches syndrome of impoverished Austrian settlements finding undreamt of wealth in skiing. "People used to starve to death here," said Michael Manhart, Lech's resort manager and co-owner. "Without tourism, there would be nobody left."
Lech is spending about £50,000 each year on a variety of measures—some measures - some experimental - to combat erosion of soil, plant cover and

The principal measure is to apply large quantities of Biosol, an organic fertiliser made as a by-product of the production of penicillin. Others include shallow drainage ditches dug on some slopes and lined with netting, usually oylon, but sometimes made of costly stainless steel. Fences have been built to stop have been built to stop powerful winds sweeping away-the soil. Thousands of young fir trees are being reared from seed at lower altitudes, where they grow more quickly, and, after six years, replanted higher up in their natural environment. The same over a much shorter time scale is

Winter Olympics two years ago in Calgary." Even now, the Italian manufacturing being done with alpine plants Once sturdy plantlife transplanted from lower down

> quintessential Austrian farmer, Erich Joghum, a 62-year-old dairyman, who, not surprisingly, doubles as is good for farmers. As my Austrian

Mellaun, often says: "It's a hard life in the mountains, but not hopeless." One must for the besieged environment.

magnet for the eco-tourist

Jeremy Cherfas joins a new brand of traveller in the Belize rainforest

HE MAP describes Gallon Jug as "deserted," but when the light place brioging me in banked for its final approach I banked for its final approach that was. "deserted," but wheo the could see how out of date that was. Gallon Jug, a settlement to the north west corner of Belize, is far from deserted. There are handsome colonialerred. There are taintsome coloniar-style houses, with red roofs and circling verandahs, perched on the hills. There is the framework of oew stables to house 18 American quarter horses, for hire to visitors. And there was Josie Harding, from Chan Chich lodge, stand-ing by her pick-up waiting to meet us

was different, and yet the same. I also got a potted introduction to the area. Gallon Jug is an old logging camp, huilt when British Honduras supplied some of the finest mahogany in the

rainforest in the name of development. But nothing could be farther from the truth, as Chan Chich demonstrates.

Chan Chich is a luxury lodge dedicated to a new breed of traveller, the eco-tourist determined to experieoce the natural attractions of wild places. Without the rainforest, Chan Chichloses its appeal. Without the visitors, the locals lose their jobs and might have to cut down forest to grow crops.

ancient Mayan ceremonial temple. It consists of a dozen thatched cabanas, consists of a dozen thatched cabanas, roomy and high-roofed to encourage natural air conditioning, and a larger, central huilding that houses the kitchen, bar, and dining room. Beyond the cabanas, 14 Mayan mounds stand over the clearing, and as night falls their darkening shapes invite all manner of graculation about the respile who ner of speculation aboot the people who first built this place.

There is no mystery about the con-

every moving part was made up here, miles from the nearest factory.

The food is superb, too. But oobody is going to visit Chan Chich to examine the carpeotry or savour the food; those are simply unexpected boouses. The real purpose of any visit must be to get into the rain-

That proves surprisingly easy. There are already three miles or more of cleared trails around the lodge, and within 50 yards of leaving the road you

are deep within a strange new world. Trees tower overhead, their tops out of sight. The air is still and heavy with humidity and the huzzing of unseen insects. Birds whistle and warble and huzz, but seldom do you see more than a shadow flitting between the leaves. Familiar but improbably vast houseplants scramble up the tree trunks, while orchids and bromeliads cling to every surface.

It is also remarkably easy to get lost. The sunlight filtering through the leaves provides oo good directional clues, and though I pride myself on my navigational abilities I managed to become completely turned around with-

out even suspecting it. The oddest thing is how bereft of life the rainforest seems. In detail, there are creatures everywhere: ants scurrying up and down branches, spiders jumping about in the leaf litter, small lizard that crackle away as one approaches.



Wildside

But the overall impression is of plants and plants alone. Some animals you can depend oo. As evening falls, and the daily rain clouds gather, a strange uoworldly growling from beyood the Mayan mouods sum-mons a small crowd from the lodge. We know what it is, a

male howler monkey bellowing out his ownership of the area. And we know where he is, somewhere above us. But until one of the troop moves, disturbing the branches, the animals are all but invisi-ble in the canopy.

You can also improve your chances by going out lamping on a night drive, looking for eyes shining back at you and hoping that some will be genuine cats' eyes. On my trip, none were. But there were nightjars, whose eyes glow red and white, and a bird-eating spider, whose legs would hang off the edge of a large saucer, sauntering across the road with eyes glinting bright green. In the clearings, far from the road, gleamed silvery-white eyes attached to ghostly shapes, most likely Zorro, the grey fox.

Anyone whose expectations are based on experience of the African savannah, where the animals more or less defy you to ignore them, is in for a shock in the rainforest. The creatures are there - 237 species of hird at the last count. for example - but they are not obvious.

Seeing something more significant than an ant or a lizard is that much more thrilling when you have to work so hard for it. "If you want to see the animals," Tom Harding explains, "its just not going to happen. You'd better go to the 200" - which, incidentally, is excellent. But if you're interested in excelleot. But if you're interested in what Tom calls "wildlife adventure and jungle fun," Chan Chich is just the

You will also be doing your bit to preserve the rainforest. Chan Chich and its surroundings are being managed for conservation by the Programme for Belize, a charity that is buying an adjacent chunk of rainforest and has been asked by the Government to draw up plans for a series of reserves through-out the country.

The area around Chan Chich is one of the few remaining expanses of rainfo-rest in central America, and Belize is in a unique position to save it. The coun-try is the size of Wales, but there are fewer people than in Reading. So there is time to devise a management regime that will provide for the people without destroying the rainforest.

Under the Programme for Belize many areas will be preserved from all human interference, while some will support sustainable development. Ecotourism is one kind of development, but there are others. Selective logging for mahogany, if it is controlled, does oo damage to the rainforest and may indeed enhance it. Jaguars, for example, patrol old logging roads in search of food, and do better where there are a few such tracks. few such tracks.

The sapodilla tree is another natural resource. It provides a ruhbery sap called chicle, which can be turned into Chiclets chewing gum. Synthetic chicle destroyed the market in the 1950s, but a resurgence of demand for natural chewing gum, particularly among the Japanese and Italians, is once more making it profitable for the chicleros to go out into the rainforest and tap the wild

This bit of rainforest can survive, but only if it is more valuable alive than dead; Chan Chich is part of its life-support system.

■ Flights leave Houston and Miami for Belize City every day. You can drive to Gallou Jug, or charter a plane about \$60 (£40). Chan Chich charges \$50 per person per day for everything except drinks. In the dry season (Janu-ary to May) there are fewer bugs, fewer rainstorms and more orchids. Contact Tom and Josie Harding, Chan Chich Lodge, PO Box 37, Belize City, Belize, Central America. Tel: 501-2-77031. Fax: 501-2-77062. You can find out more about the Programme for Belize from PO Box 99, Saxmundham, Suffolk.



Chan Chich lodge on the edge of the Belize rainforest

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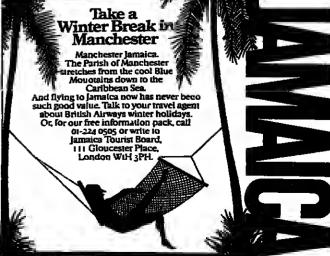
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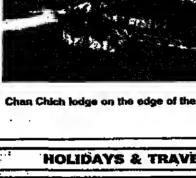
ing by her pick-up waiting to meet us.
Driving the five miles or so from the airstrip to the lodge, along well-made roads surfaced with local limestone, I got my first glimpse of the rainforest, or more accurately of the jungle that fringes cleared areas. The overwhelming impression was one of complexity and stillness. Everywhere the greenery

world. It has been rescued from obliv-ion by Barry Bowen, one of the biggest husinessmen in Belize, as the centre of his plan to revitalise 150,000 acres of rainforest. He has installed a saw-mill. He has started experimental farms, for Belize is barely able to feed itself, and he has built a fine village for his workers. That sounds like a recipe for disaster, a private fieldom whose owner is intent on razing yet another tract of

Together, both survive.

The lodge is in the plaza of an

struction of the present place. Tom Harding, Josie's husband, built it, entirely of local timber and entirely by hand. His craftsmanship and attention to detail are everywhere; the beautifully fashioned louvred shutters on every window open and close with such ease that it comes as a shock to realise that



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Wai-Fung Cheung

Arnold Wilson discovers why the Austrians

the mountain has got a grip on higher areas above the treeline, the natural flora for that altitude gradually reinfiltrates and takes over again. A popular concept is that trees are a more important soil-binding agent than grass, but Austrian soil experts claim that grass cover is more critical.

Animals, however, can be something of a problem - not least for the skier. Sheep, cattle and wild deer have their uses and abuses. Sheep keep the grass nice and short a Cattle and deer don't do this,

but they tend to leave the grass too long. And all grazing animals cause havoc among young trees. Klaus Katzensteiner, an earnest young man from the Institute of Forest Ecology in Vienna, emphasised that animals must be kept out hy fences from areas where trees are being

replanted. Manhart claims that for every tree chopped down to make way for a skiing development, 1½ trees are replanted. "Austria's forests are geiting larger and larger, not smaller and smaller," he says: "But we're not doing this just for the environment's sake. We're doing it for our own benefit. We, too, want to

live in nice surroundings." Dr Stefan Naschberger said that Biosol, which costs about £300 a ton, was now being tried out in parts of coastal Scotland threatened by erosion. And north American ski resorts had also suddenly woken to the problem that their high regions, too, were losing vital vegetation, and had launched a programme similar to the

At one stage of our mountain tour, Manhart, whose grandfather started Lech and neighbouring Zurs, turned on a writer from Paris and asked him what the Prench were doing about environmental problems in their ski resorts. "What is your Government doing?" he demanded. "Is it sleeping?"

Response came there none. Even man-made snow – a

dire necessity in recent snowless starts to the season - was cast as an environmental saviour (although resorts which do not have it tend to justify its absence by claiming that it interferes with nature). But Manhart was adamant. He claims that his 13 fan guns and 36 compressed air guns
which litter the lower slopes
of the Kriegerhorn and other
areas provide a protective ayer of snow under which the mechanism" of plant life

mechanism of main me flourishes.

Manhart's "Arlberg Jet" snow cannons, which last year sprayed out 200,000 cubic metres of snow at a cost of about 75p a metre, have featured in a coup of coals-to-Newcastle proportions. By learning about snow-making techniques in the early days in north
America, then re-designing
the machinery to increase
output and efficiency, as well as lowering the noise, he has been able to sell his "new improved" cannon back to the Americans. "I returned to America with a snow gun in my suitcase. It was my version that won the contract for the

Manhart even produced the a ski-instructor in the winter, to testify that man-made snow

company which markets his version is selling them to the

mountain guide friend, Joe hope that this will also be true

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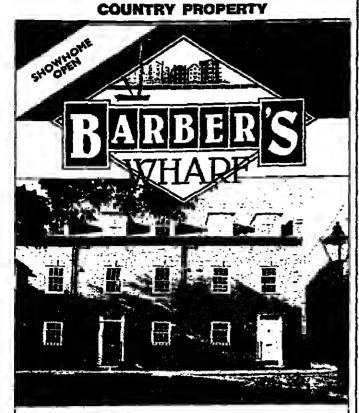
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of bargain-hunters are obvious victims of the instability of today's market. Estate agency etandards are another less obvious, but just as vulnerable, potential

victim. Sales agents' commission charges are competitive, and vendors and agents have plenty of latitude to negotiate the rate for specific properties. When homes are selling as fast as they can be put onto the market, vendors can and do shop around to get the cheapest sales costs. When the market is tough,

or if a particular property is likely to need a greater-than-usual marketing effort to achieve a good price, it is common-place for an owner to agree to pay for extra advertising costs, or to work out a slid-ing scale commission - 1.5 per cent if the sale is achieved at one figure, 2 per cent if it is HOW DO YOU persuade above another, and so on someone that their house is what is not accepted so not quite as special as they what is not accepted so broadly is the phenomenon of the negotiator's "incentive." Professional agencies differ markedly on their attitude to these cash encouragements.
In a letter circulated widely

to house agents in London recently, Egerton passed on

TENDORS WHO suc-news of a vendor's offer to pay for bounty-hunters who catch cumb to the pressures 220,000 to whichever negotiator purchasers and nail sales. achieved a sale, for £3.8m or more, of a property in Holland Park with a £3.95m asking price. That payment would be in addition to the normal arrangement of a shared commission if another agency introduced the buyer to Eger-ton's client.

Chesterfield & Co has passed on to fellow-agents a similar offer - in its case, a £10,000 "bonus" to whichever negotiator sold a £1.6m house. In both cases, it was left up to the partners or directors of the other agencies to decide whether to take the cash as extra commission, or follow through the offer to hand over a vendor's cheque to the lucky deal-maker personally. Individual home-owners are also circulating such offers to agencies, with cash rewards being proposed

way? The answers depend on

whose territory ranges from West Hampshire and Dorset to Wiltshire — reports: "Even not quite as special as they think? Not too easily, accord-ing to Michael Henry, from the country residential side of Goadsby & Harding. after six months or more of having their houses on the market, with little or no inter-est being shown, vendors do not appear to lack confidence.

Challenging the thesis that nervousness among vendors has thinned the supply of country properties, Henry –

These circular letters raise a couple of thorny questions. Is adding such a cash payment a crude but rational marketing ploy, or it is an outrage? And does it really matter either

sellers - where even the most general bench-marks of value are either disbelieved or ignored.

The case that vendor bonuses are a crude, but ratio-

'The only curiosity is that any estate agency would confirm . . . that some clients are more equal than others'

whether you regard a relation-ship with an estate agency as a professional matter, or whether the agency is treated as a convenient access to a group of market traders. They also relate to the extent to which the housing market has drifted towards a degree of

nal, response to market condi-tions must centre on the view that, for a suitable amount of personal cash, individual agency negotiators will give priority to selling one property at the expense of their other clients instructions. If that is the case, then in the kind of tough market seen today, and

not be quite as desirable as they think, or may not be cor-rectly priced in the light of market trends."

If a good proportion of ven-dors are still refusing to beed advice on present market prices. Henry reports that a fair few others are being pan-icked into accepting scavenger offers. Most of the buyers be has seen this year seem to be bargain-hunters, He says the overt ones "are

He says the overt ones "are looking, quite deliberately, for vendors in trouble." The second group, "terrified that prices have not yet bottomed, are making offers wildly below realistic figures in order to provide themselves with a cushion against a further fail."

anarchy - or, at least, open taking that approach to its logwarfare between buyers and ical conclusion, anyone who is And if personal cash incentives And if personal cash incentives really are a fair and reasonable really are a fair and reasonable way of inspiring extra effort, that would seem also to undermine the vendor-agent relationship if you are a client paying for that agency's best efforts on the basis of preagreed commissions and costs. really keen to sell their home would need to enter into a cash anction, competing with their agent's other vendor clients to attract the attention of its George Pone, chairman of John D. Wood, feels strongly enough about offers of big cash

negotiators. If £20,000 is considered appropriate as an incentive to persuade negotiators to take seriously the sale of a 23.9m home, then a £500,000 vendor might expect to have to hand over £2,554.02. The home-owner \$2,554.02 has been a £250,000 trying to achieve a £250,000 sale would expect to chip in an sale would expect to chip-in an extra £1,282.05 on top of commission charges. The humble flat-dweller trying to win a buyer for a £45,000 bed-sit would need to have £230.77 in ready cash to inspire a bout of active salesmanship from the people across the agency deak.
This does seem to be taking the concept of free-market cap-

enough about offers of big cash incentives for negotiators to call the practice "distressing," "disgraceful" and "nothing short of bribery." However you regard the issue, it highlights the argument that, in an age of increasingly regulated and tightly-policed markets, the \$500n-plus a year UK property transfer business remains a jungle. Periods of change and uncertainty transform normally honourable people into mally honourable people into gazumping and gazumdering buyers, or into vendors who scarcely blink while instructing their agent to walk away from an agreed sale if a better offer comes along.

Cash payments to win nego-tiators attention are hardly out of context against that background The only curiosity is that any estate agency would confirm so openly that some of its clients are more equal that others.

Flawed logic

AT A SIMPLE level, logic suggests that a rise in home loan rates results in a roughly comparable fall in prices. In the hopes of disseminating this particular piece of rationalisation, Royal Life Estates is promoting what it calls The Reality Guide.

Dowell Conning, managing director of residential sales for Royal Life South, argues that with mortgage rates at 12.5 per cent, a £500-a-month buyer who could afford a £63,400 house a year ago has to think in terms of a £49,800 property now. "Realistic vendors understand that logic and reduce their asking price to compensate for that rise
in interest rates," says
Conning. "After all, people can

At least some vendors do
appear to be taking Royal
Life's advice; price cuts of up

only afford so much a month." The flaw in the logic is the assumption that there are any realistic vendors or rational home-buyers. There are few other markets where such an overwhelming majority of . buyers and sellers think in terms of yesterday's or tomorrow's values. To confirm the point, the

latest quarterly housing market survey from the Royal Institution of Chartered Surveyors (RICS) reports that "the already fragile housing market is numb following mortgage rate increases." The survey, bringing together reports from RICS member firms for the quarter to the end of September, underlines the point that, apart from the still-bnoyant £500,000-plus country house market, it is now a "buyers' market" right across the country.
At least some vendors do

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to 25 per cent from 1988 levels are encouraging a revival of first-time buying interest in

"Far more frequently they blame the agent, rather than accepting that their house may

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LAST YEAR, the offer of a Grade II-listed, seven-bedroom Somerset property in 15 acres, with a guide price of £350,000, would have created a traffic jam along the M5. Now, Nick Evans, of Strutt & Parker's Taunton office, says: "People are being that hit more selective. We still have people coming onto our books from outside. But because the market is so quiet in the south-east and they can't sell their houses, most of them take the details and can't get beyond talking about it."

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(pictured), just four miles from Tamnon, into the second tier of available country properties is that it does need comple

off by the fact that the place is close to the busy Taunton to Minchesd road. That said, the fact that Flizroy House is an archetypal stand-alone country house is drawing the

viewers through joint agents Struit & Parker (tel: 0823-277-261) and Hunts (0823-134-466).

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modernisation. And, as Evans concedes, some people are put What puts Fitzroy House ELEGANCE AND STYLE IN A UNIQUE SETTING. SAVOY APARTMENTS, WG2



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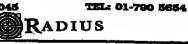
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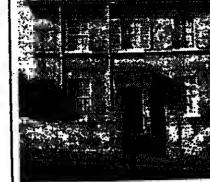
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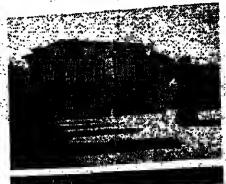


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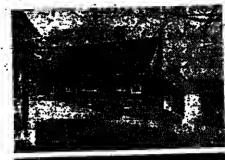


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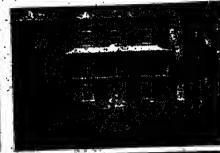
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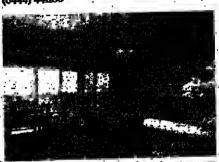


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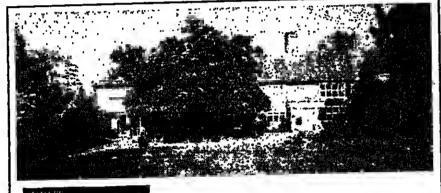
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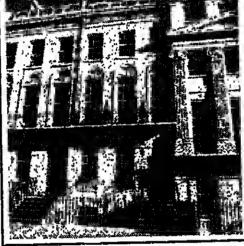
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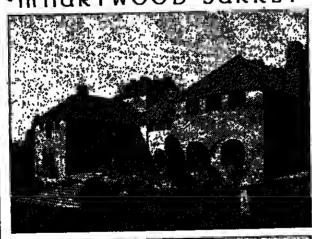
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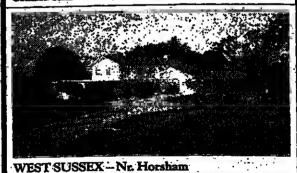
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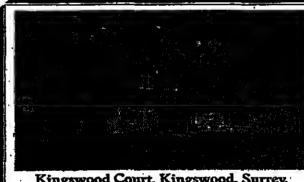
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Everest has the last word

Climber Roger Mear describes how the weather beat the Final Challenge expedition

Rongbuk Base Camp, Mount Everest.

t is 60 days since the Everest Final Challeoge expedition unloaded itself from Chinese trucks ooto the moraines oo the oorth side of the world's highest peak. Sixty days in which we have seen our hopes to be the first to scale the north-east ridge huried by snow that fell with moootooous regularity - brought by the tail of a mon-soon that would not die - and then blown to ohlivioo hy the early arrival of the winds of the jet stream that now roar seemingly without respite across the mountain.

the mountain.

The prayer flags erected by our Sherpas on the crest of the moraine are stiff with wind, streaming oot their benevoleoce over base camp. Among them, the ragged and battle-worn flags of our sponsors flutter and crack, their oncestrong colours now bleached grey by the intense ultra-violet light of high altitude.

The season is moving rapidly towards winter. Each morning, sunlight reaches the valley floor a little later, and is lost a little earlier behind the ridge of namemelt-waters of the Rongbuk Glacier, which in the warmth of August flooded the width of this broad plain of stones, are now contained in a single narrow

channel edged with ice.
Uotil the winds arrived 10 days ago, Everest hid under a uniform mantle of

HE MOTHER TURTLE crawled up the beach in

member of the Lara Turtle Sta-

tioo watched her from a dis-

tance; oext day he opened the

nest and brought the eggs to

the beach by the station, where

the eggs (like soft-shelled ping

pong balls) with sand. He set a

cage on top and marked it No.

cies in the Mediterranean.

They must have quiet sandy beaches to breed. Destroy the

peace, and the turtles go away

never to return. It is tourism

which brings hotels, bars, holi-

In a familiar Mediterranean

saga, the lonely beach with a

solitary taverna in a very few

years becomes another charter destination. Many get rich, but the turtles lose. They have left

Side, on the south coast of Tur-

key, and Ayia Napa, in eastern Cyprus, as a direct conse-

They would leave the

remote. surf-swept beaches

around Lara, north of Paphos,

too, if ever hotels were built there. It is the last really wild

part of the island, bordering oo the equally wild Akamas pen-

For thousands of years two

types of turtle have hred on the sandy beaches of Cyprus:

the green turtle (Chelonia

mydas) and the loggerhead tur-

tle (Caretta caretta) which has

spines on its back. Like seals

T IS DIFFICULT to know

day villages and noise.

Turtles are a threatened spe-

he, too, dug a hole and covered

west Cyprus, dug a hole

whiteness. The great horizontal bands of rock that are the distinctive features of the oorth face, and the First and Second Steps set on the crest of the north-east ridge, were obliterated by a mass of snow. The daily falls left us wallowing knee (and sometimes hip) deep and continually buried our hard-woo trail up the initial buttress leading

to the ridge.
The threat of avalanche was of constant and growing danger, brought home to us when three of our Sherpas watched with horror as the snow slope they had just ascended fractured along the line of their footsteps and slid silently into the ahyss. After Marcus Hutnak and I established camp 1 at 23,250ft (7,100 metres) in September and made a tentative push along the ridge in very deep snow, the expedition reached an impass

In the days that followed, supplies of food, Gaz, rope, tents and oxygen — enough to equip all our higher camps — were carried to camp I, but there was no further upward progress on the

We were halted not only by the unwanted realisation that climbing this monstrous, four-mile long ridge in the prevailing conditions was impossible. but also by fear; fear that the snow steep as a church roof - through which we must wade, and on which we must climb, pitch our tents, live and sleep, was set on a hair's trigger and, at some point, would release and carry us down

Besides our attempt on the north-east ridge, 10 other expeditions this year have attempted routes established previously on the Tibetan side of Everest. The French, Rumanian, Italian and two Spanish expeditions gave the mountain their best and departed, leaving Japanese, Yugoslav, Chilean and two American groups who, like ourselves, clung to a last, forlorn hope that conditions could improve at the last hour.

fter negotiations with the two American north col expedi-tions, it was agreed that we should abandon further futile attempts on the north-east ridge and direct our energies towards the "easy" route attempted first by Mallory in the Twenties. Once the decision to abandon the ridge had been made, there was much talk (and not a little dreaming) of a fast last-minute dash to the summit up the "easy" route. But all plans came to naught with the arrival of the winds which, although soon stripping the mountain of much of its snow, prevented any progress above the north

On October 5, Paul Rose and returned to advance base camp praying that the gods would grant us our chance. That night, the winds eased but Paul was smitten with severe headaches; in the morning, the sight in one eye was impaired - a condition diagnosed later as a small retinal haemor-

rhage. Accordingly, I set out for the north col alone – an attempt that was hrought to a cowering end at 24,900ft (7,600 metres) in winds that proved

unrelenting.
Ironically, yesterday, although the winds were blowing here at the base camp. Everest stood hard, bright, calm and cloudless and Marcus Hutnak and Tim Gage made our last effort for the summit. They reached 25,550ft (7,800m) hy evening. But the calm interlude that had entired them from the relative safety of the north col was over and, in rapidly-rising winds, they struggled to erect their tent among the tattered fragments of others abandooed by the

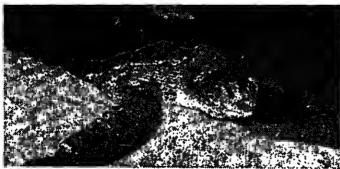
ments of others abandooed by the French expedition.

By first light the tent began to disintegrate and, with snow hissing through the rents and shouting to each other so as to be heard above the gale, they made the inevitable decision to

As I write, the tinkling of yak bells and the soft whistles and guttural cries of their Tibetan drivers heralds the arrival at base camp of all that was once advance base. We wait now for the arrival of the trucks from Lhasa that will carry us to Zangmu and the Nepa-

The British climbers on the Boetest Final Challenge expedition were spon-sored by E. D. and F. Man International, British Alcan Aluminium, and Thai Air-

Cypriots turn turtle



The green turtle of Akamas in Cyprus

and whales, turtles are by origin land reptiles that have "reversed" their evolution to live in the sea. Although they swim well and have no problem staying underwater, they come back on land to breed. They always return to the

place where they were born, if it is still undisturbed. Every other summer the mother turtle comes ashore at dead of night, three to five times, at two-week intervals. She digs a hole about two feet deep, lays around 100 eggs, covers them and returns to the sea. Sometimes she will come back to check the nest or sweep more sand over it. Seven to eight weeks later the babies pop oot of the sand and head straight for the sea.

How on earth do they know theirs is a marine life? Research shows they do not. What attracts them is the light off the sea. If they see a brighter light inland, they will dash off there instead. So they must have wilderness. Turtles and camping sites, tavernas,

hotels or cars are incompatible The Lara Turtle Project's task is to study, maintain and increase the turtles. That starts with many hours of sitting silently in the dark and watching. Where are they lay-ing? Is she a mother we know? Will her nest be safe? They eventually decided to hatch the eggs nature's way - by reburying in the sand, and protecting them with a cage. The hatching rate is a most creditable 75 per cent. The hatching rate for undisturbed nests is between 85 and 90 per cent. The station now releases about 4,000 babies a year, collecting some to rear in cages in the clear water of Paphos harbour. I saw both types there, from tiddlers to 10-year-olds, chugging around. Their sex will be unknown until they are about 12 and start laying. Eventually they will be tagged and released, and surveyed to check that they do return to their native beaches.

PLANET EARTH

How then do we keep the beaches and hinterland fit for turtles? It is very wild Mediterranean coast, where the sandstone cliffs are scoured by the wind. The scrub is high and thyme and cistus fill the hot

dry air. This is where the turtles want to be alone.

If you reach Lara (I had one puncture), you may not camp, ight a fire for a barbecue, or stay on the beach after sunset. This is so you do not scare off the turtles waiting for dark to come ashore and nest. Mother turtles are shy animals.

The real danger, however, is hotel development, which will destroy the very environment that brings them there. Debate rages, but there are two hints of good news for the turtles. First, the Akamas peninsula is likely to be declared a National Park. If it is, the park laws must have teeth. Second, the European Commission is supporting a pilot project of Friends of the Earth to pronote agro-tourism around the Akamas. That means concentrating tourism in the existing villages, which are all well inland and promoting them as gateways to the wilderness.

With no monster hotels on the beaches, the traditional human and turtle ways of living in west Cyprus will stay strong. But it is a fight to put this view over. Money beckons - and so do the turtles.

E Department of Fisheries Ministry of Agriculture and Natural Resources, Nicosia; Friends of the Earth (Cyprus), Maroni, Larnaca (tel:0483-2139); trips to the wild country north of Paphos: Exalt Travel, Paphos (061-43808).

Gerald Cadogan

Country View

A deer life in suburbia

the reasons why wild deer - red, fallow, sika and muntjac - have throughout England since the Second World War, especially in the south. One can think of several reasons why exactly the opposite might have happeoed. Chief among these would be the disturbance factor - increasing human population, motorways, development of all kinds and intensive agriculture. Apparently, a suburban

habitat suits roe deer admirably. South of London the havoc wreaked by these in rose gardens is known only too well. Roe seem to be the worst offenders so far as young trees are concerned either by eating their tops or reducing them to frayed and tattered sticks with their

All deer are liable to damage young trees. I think their preferences vary from district

to district. In an area with which I am familiar, fallow deer will demolish young ash and wild cherry on sight. They are very fond of oak and quite like beech. Fortunately, they hardly touch the two staple conifers for that particular area, larch and Norway spruce. Of course, one can erect deer-proof fencing, but the cost is so enormous that, in normal forestry circumstances, it is not an option. Fencing against rabbits and hares is quite

expensive enough. Apart from the sheer easure of seeing them, deer bring other more tangible benefits to land-owners. Deer - much of it being done from a high-seat which, from the safety angle, is desirable or essential in highly populated areas. There is an increasing demand for venison. A fallow deer carcass will fetch about 80p a pound when sold to a game dealer. A wild fallow buck might weigh as much

as 140 lb, a doe nearer 70. The great thing about wild venison is that it is almost entirely fat-free. It is also free of the steroids, hormones and other growth-promoting agencies that may be present in domestic red meat.

safe to assume that UK

ventson was likely to be wild. One would certainly not be

Until quite recently it was

safe in making any such assumption today. Deer farming is seen in the agricultural world as one of the few growth areas in food production. There are about 200 deer farms in Britzin, and their output of about 200 tons of venison a year is increasing

So far, deer farming has meant keeping (to my mind) rather sad looking deer in specially fenced fields. That could soon change. Strange as it might seem in the present climate of general disapproval of factory farming methods, experiments in intensive rearing of deer are in progress. The aims are to cut the time

needed for bringing deer to

slaughter weight, and to save the cost of fencing. Under this system, deer are kept in sheds and fed on silage and cereal concentrates. Some people consider that keeping these semi-wild and sensitive creatures in restricted conditions is unacceptable and cannot be justified on the grounds of profitability. If, on health, ethical or gastronomic grounds, the consumer prefers to eat wild

venison, and is prepared to pay a little more for the privilege, he should, surely, be given the opportunity of doing so. This can only come about if purveyors of deer meat are required by law to declare whether or not their venison is of wild provenance. Such mandatory regulation would be entirely in line with modern concepts of telling the purchaser as much as

being invited to buy. Michael Stourton | are just that volumes of rules

possible about the food he is

Searching for the future of Europe

Edward Mortimer discovers a rather puzzling 'intellectual'

LIBRARIANS throughout the English-speaking world must be scratching their heads. On which shelf does Europe, Europe go? Travel? Politics? Fiction? Or has the author invented a new literary genre? Hans Magnus Enzemberger is according to the allumit Town

is, according to the blurb, "one of Germany's, and Europe's, leading writers and one of her leading writers and one of her great public intellectuals."
Neal Ascherson even guesses (in the New York Review) that he is "far the most widely-read living poet in the German-speaking world." So the English reader who discovers him, as I did, through this book is made uncomfortably aware of his own parochialism.
Discomfort doesn't ston

Discomfort doesn't stop Discomfort doesn't stop there. Being a poet, Enzensberger specialises in ambiguity. You have the strong impression that he is saying something, probably something rather subversive, but he leaves you to decide for yourself what exactly it is.

Yet, I should be very sorry to put any potential reader off the book by implying that it is

hook hy implying that it is obscure or difficult to read Quite the opposite: there is nothing "Germanic" in that nothing "Germanic" in that sense about it. This "great public intellectual" wears his greatness very lightly. He fitts about Europe, head on one side, looking, listening, jotting. At first sight he seems merely to be giving us the jottings, placked at random and unedited from his commonplace book

He has a sharp eye, and an even sharper ear. He is also blessed with a beautifully fluent English translator (Martin Chalmers) and a dust-jacket, designed by Chris Millett, that catches the spirit of the book catches the spirit of the book perfectly: attractive yet scrappy, composite, mysterious, redolent with a sweet

EUROPE, EUROPE -FORAYS INTO A CONTINENT

by Hans Magnus Enzensberger translated from the German by Martin Chalmers Hutchinson Radius £14.95.

smell of decay which, if yets inhale, is not quite so sweet. after all.

after all.

Enzemberger visits six European countries, apending apparently some weeks in each, between 1982 and 1986. Sweden, Italy, Hungary, Portugal, Poland, Spain. That is the order in the book but it is not abroaderies the Tananah. chronological: the Spanish chapter is dated 1985 while Portugal and Poland are 86. Things are not as random as they may seem. Why is Spain saved until last? Possibly because he likes it best, or sees it as more hopeful than the others. The Spanisrds, he finds, have done for themselves what the Allies did to formany by demolishing the Germany by demolishing its cities and partitioning it broken with their past and become "utterly reasonable, boringly normal."

What he is doing, it emerges gradually, is looking for Europe's future. Sweden is Europe's future. Sweden is thus a fairly obvious place to start, but Enzensberger does not much like Sweden: the namy state is too compresent and too many aspects of the past are quietly forgotten. In an eery Orwellian manner, they is more sequentian. Italy is more seductive - to north Europeans, at any rate. It is so easy to get sentimental about the colour, the chaos, the anarchic vitality (Linkla-

ter's dono di coraggio).

Enzensberger lures us up that garden path, pausing en route for a little tour de force of comic writing-cum-investigative journalism on the mysterious disappearance of small change in the Italy of the 1970s; then he skips aside and lets us fall flat on our faces in the dung-hill, reminding us of the squalor and callousness that are the down-side of Italian individualism, so that "the Italianisation of Europe" ends up more nightmare than day-dream.

dream.

And so it goes on Enzensberger likes to debunk, but he is as happy demolishing the self-denigration of intellectuals in each country as he is sneering at the sentimental ideas recues of the tourist. Those with a high opinion of themselves, like Swedes and Poles, tend to come off worst. But no image is left in place for long. Just when you think you are being shown the "real". Hungary of the "real". Portugal, it is "ipped away mercilessly, revealing yet another layer of equally misleading "reality."

Until we come to the epilogue, "the sea coast of Boh.

logue, the sea coast of Boh-emia; an article from the New Yorker dated 2006. Enzensberger lends his own style and character to the fictional author, an American ex-ser-vicemen returning to Europe after 12 years absence to see what has become of it And.

what has?

Clanet has become a collectors item, the Bordelsia having been laid waste by a niclear melt-down. The European Community has been rumbled as an unnecessary sham, and its Finnish president has retired to a log cabin where he tinkers with an old KK 156. Bussia is preoccupied with Central Asian civil wars. Bast and West Germans cordially dislike each other but the Berlin Wall is a bone of contention only between architectural and ecological conservationists. And the converse vationists. And the conversations are so similar to those in.

tions are so similar to those in the earlier chapters that one wonders suddenly if the whole book might not be fiction an ingenious confidence trick.

Otopia? Revenge of Green Germany over Fortress France? Exercises of the myth of unity as route arch delanator.

Proof that the arch delanator is welling to relevant himself? All willing to debunk himself? All

Simply, the funniest

letters with first-hand knowledge of his subject and a deco-rous, appartisan approach was assigned the unenviable task of producing this important biography. One shudders to think of the tedium that might have been inflicted by a gullible aca-

Flann O'Brien was a difficult unsociable and often quarrelsome man, increasingly dependent on alcohol." His short, sad life was lived against a depressing hackground which Anthony Cronin described as "the pletistic, self-isolated, nationalist Ireland of the first decades after independence..." And yet, we are dealing with a man who, according to Cronin again. "is outle simply, one of again, "is, quite simply, one of the funniest writers to use the English language this century."

This is not just the familiar

enigma of public laughter hiding a private hell. Flann O'Brien was not only a humor-ist: he was the author of At Swim-Two-Birds, one of the most influential novels of the mid-20th century. It sold a mere 244 copies on publication in 1939, before the remaining stocks were destroyed by a German incendiary bomb, and he did not get the recognition he deserved until it was re-is-sued in 1960. Meanwhile, his second novel, The Third Police-man, had been rejected and he entered a phase of creative silence that lasted 20 years. Instead of novel-writing, he dedicated his literary energies to producing his satirical and unpredictable Myles na Gopaleen column in the Hish Times, which ran from 1940 until his

NO LAUGHING MATTER: THE LIFE AND TIMES OF PEANN OBRIEN by Anthony Crown Grefton Books £15.95, 260 pages

death in 1966. Brian O'Nolan, the man behind the pseudonyms, was born in 1911, the third of 12 children of a tax inspector mar-ried to the daughter of Stra-bane shookeepers. The large, self-contained family seems to have been happy enough and spoke only Irish amongst themselves. Brian distinguished himself in the famous debating society at University College, Dublin, and went on to win a highly prized civil service post.

His father's sudden death in 1937 left him as the sole sup-porter of the household with his literary activities confined to evenings and weekends, a fate he accepted uncomplain-ingly. He was a lifelong Cathopatient, tolerant woman called Evelyn who is still alive. The increasingly irreverent tone of the Myles na Gopaleen column and O'Nolan's more dictable often drunken behav-iour at work led to his "early retirement" from the civil service - or, as he put it, the sack. His much reduced pension meant that he was perma-nently short of money and had

to turn his hand to all manner of back work. O'Nolan is often compared to James Joyce, who greatly admired At Swim-Two-Birds. They were associated with the

same city, brought up in the

same rengion and anended the same university, distinguish-ing themselves, in: the same debating society but there, as far as it Nobus alth societies, any similarity between them

ended.
His obsessive personal dis-like of Joyce (whom he had never met, although he lied about this) and his impatience with Finnegans Wake made him react by adopting a dismis sive attitude to his own gifts in order to be different from Joyce. He chose to see himself as a competent all-round literary journeyman who also wrote novels rather than, like Joyce, someone who dedicated himself solely to his art. Critical recognition came to

O'Nolan too late; alcohol had already ruined his health. He frittered whatever little creative energy he had on absurd projects like dire television stripts and an unfinished novel set mainly in America, where he had never been.

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Cronin was lncky (or unlucky) enough to spend many hours drinking with o'Nolan and points out that "his self-doubt was extraordinarily deep," which goes some way to explaining why he gave up novel-writing for so long and took to drink. But this self-doubt was accompanied by an enormous capacity for com-bative defence of his mere ludicrous projects, which must have made him the most infuriating of companions, drunk or

It is greatly to Cronin's credit that he never once loses patience with such a difficult

Alannah Hopkin

Words used, not abused

WATERHOUSE ON ...

IN THE beginning was the word, and the word was "bonk." Not, mark you, the (slang) intransitive verb meaning to strike or hit, for we are talking tabloidese here. "Bonk" in this context means, "to engage in sexual intercourse." This is far too long and literary to fit in a Sun or Star headline, so "bonk" it became, by that cartous osmosis from street slang to sub-editor to Sun or Star reader, and so on and on. Not that there is a lot of bonking in Keith Waterhouse's admirable little volume, unless it is to point out how such-catchwords rise and fall in popularity (see also "loadsamo-ney," "on yer bike," etc). There are however, such gems as alliteration ("Binge kills boozy boss"), cliches ("and that's offciall"), tautology ("a major disaster"), Ramboism ("SAS rub out IRA rats"), and the desperate cry of a lost cause

("If you win our lotto potto you can fly to somewhere hotto!").

Most newspaper style books

NEWSPAPER STYLE by Keith Waterhouse Viking £9.95, 272 pages

and regulations for reporters and sub-editors to ensure consistency of spelling, abbrevia-tion and so on. Waterhouse's book is much, much more. The original Daily Mirror Style — The Mirror's Way With Words (as the book first appeared in a 1,000 print run for Mirror journalists) was, as politician Roy Hattersley put it in a review: "A missal as well as a manual, a testament as much as a textbook." In its revised form, now (deservedly) published for the edification of a wider audience. it is required reading for any one who would rather use than abuse the English languag Waterhouse starts with a cogent (and occasionally cringe-inducing) history of popular journalism, from the pio-neering days of the Mirror and Express, via the early Sun, and

the ghastly Sunday Sport ("Adolf Hitler was a woman!"). Along the way something strange and rather sad has happened. As Waterhouse says, there can be but one revolu-tion; everything that follows is merely revision. The Cudling Beaverbrook popular journalism transformed the BBC English, plum-in-the-mouth reporting style; today's version is all too often only a clicheridden shadow, in which sex romps, shock probes, confessions of Ty soap stars and Right Royal Romances (which may or may not have Fairy-Tale Endings) are "reported" in sledgehammer tabloidese.

Waterhouse appeals for a return to good, plain English, for a re-examination of "the stereotyped news values that ancourage stereotyped writing and stereotyped observa-tion." It is a wonderful book and that's official.

Andrew Anderson

The global village without a church

John Plender looks at some of the world's big-money players and their foibles

HE DEVELOPED world has turned in the 1980s to remarkably stable economic growth. Yet, the financial markets, by contrast, are in a state of neurotic frenzy. The world's leading currencies are often the subject of huge over or under-valuations; share prices are capable of plunging several percentage points in a day, and bankers appear to defy all logic in their readiness to finance any half-plausible entrepreneur with a wholly implausible balance sheet. The over-inably stable economic neur with a wholly implausible balance sheet. The over-in-debted Third World, meantime, bas been substantially excluded from the First

World's economic party.
The turmoil on the exchanges might owe something to a fundamental shift in thing to a fundamental shift in the global balance of economic and financial power. Just as the economic crash in 1939 reflected the instability of a system which was moving all too slowly from sterling begement to dollar pre-eminence, so the plunging share prices of 1987 and 1989 may be the symptom of an awkward transition from dollar heremony to from dollar hegemony to. nobody knows quite what But, for Anthony Sampson, the fre-netic twists and turns of the money world also reflect the paradoxes of individual behaviour. He rightly observes that the seemingly dispassionate language of the financier betrays an implicit set of values. Those values merit a rather different form of analysis than that which rules in the columns of City editors.

The gentlemen who wear red. braces in the dealing rooms of international banks refer cheerfully to the globalisation of markets. What they really mean is that the financial traffic between Tokyo, London and New York, with other financial centres such as Paris, Hong Kong and Los Angeles cast in

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THE MIDAS TOUCH: MONEY, PEOPLE AND POWER FROM WEST TO EAST by Anthony Sampson BBC Hodder & Stoughton £15.00, 212 pages

supporting roles, is near in-stantaneous. Yet, great chunks of the world's population are excluded from this non-global financial network huilt on

information technology.

As John Reed, chairman of America's largest bank, Citicorp, remarks chillingly to Sampson: "There are 55n peo-ple living on earth. Probably 800m of them live within soci-eties that are bankable and probably 4.2hn are living within societies that in some very fundamental way are not bankable." Such eerie bank-speak is one indication of how remote the financial commnnity has become from demo-graphic and social reality. People, according to Sampson, are also separated increasingly by speed, mobility and the sense of time, as well as money. In a reversal of the conventional assumption, the rich rise early and the poor rise late; work is associated not with drudgery but with status.

After the long economic boom. American entrepreneurs and Japanese companies flaunt their wealth as never before. Yet, we have created a global village in which there is no church and no parish pump. Like many books based on tele-vision series, *The Midus Touch* has a rather episodic quality. But that does not detract from many worth-while and humane perceptions. Although not. claiming to be concerned primarily with economics, Sampson rightly diagnoses the lunacy of an economic system in which Latin America is con-

demned to export capital to the US. And he has little time for those who seek to wrap the growth miracles of Japan, South Korea, Taiwan, Hong Kong and Singapore in Oriental mystery. With their propensity for high saving and hard work, they reflect the values that characterised the British in their project of world or world. in their period of rapid eco-nomic development in the 19th

The fun comes in the observation of human motivation and behaviour. When Sampson visits Donald Trump, the extravagant New York show-man-dealer, be finds not the beaming face of innumerable publicity handouts but a sulky individual who barks curt instructions down the tele-phone; the person at the other end turns out to be his wife. Malcolm Forbes, the American publisher and propagandist for capitalism, pronounces the Chinese regime benign while entertaining enthusiastic offi-cials on his extravagant yacht in Shanghai. A guest who left the vessel with a bag bearing the legend "capitalist tool" became the new, hard-line sec-

retary of the Communist Party
after this year's atrocities.
Then there is Sir James
Goldsmith, the Anglo-French
asset-stripper, who made
money selling off vast forests
for timber. The past 100 years,
he assures Semment have been he assures Sampson, have been the greatest disaster the world has ever seen because we have destroyed the environment. Others are exposed for their largely joyless, although not invariably tasteless, pursuit of social recognition via the art market.

Money clearly does loom disproportionately large in the 1980s compared with the 1970s. Whether it confers as much power as Sampson thinks is more questionable. The Japanese may be powerful, but their trade surplus reflects an excess of saving over domestic investment opportunities; and their readiness to finance the US budget deficit is arguably a covert form of defence spend-

Lack of money, on the other hand, is another matter: it blights the lives of millions in Africa, Asia and Latin Amer-ica. It is high time the Japanese helped to build a financial bridge between the economies of the First and Third Worlds with money rather than words, and that over-borrowed Ameriin order.

olts of the great Blondin (1825-1897), who once crossed Niegara Falls on a tight-rope. This is one of many arresting illustrations in Hermine Demortane's "The Tightrope Walker" (Secker & Warburg £17.50, 160pp). The author is herself no mean exponent of this precarious art.

Wrong about so much

THE BRITISH New Left cannot, on the 30-year retro-spective which is this book's time frame, claim much success. It has produced several authors, some of them fine, but never had any appeal to the

particularly Edward Thomp-son, played important parts in the anti-nuclear weapon movements; but these movements, too, failed in their aims because their demand for asymmetrical, unnegotiated arms cnts was rightly perceived as even more dangerous than nuclear stasis. It produced no party, although some of its adherents joined Trotsky-ist groups and others wrestled

with Labour. Many exceptionally sharp Many exceptionally sharp writers — Tom Naim, Perry Anderson, Robin Blackburn, Stuart Hall, Raphael Samuel — employing a more or less Marxist framework, clustered around New Left Review (which itself maintained, and atili does, high intellectual standards) and writished dards) and published an ecleotic mixture of foreign and domestic Left analysis and the

Early in the 1970s, Nairn rumbled the Labour movement's insularity and auti-foreign bias that would send much of it into an opposition to the European Community from which it is only now recovering. Anderson's claim, that Britain's unfinished bourgeois revolution left e capitalist class transfixed by earlier social formations and thus unable to perform its functions properly, is as forceful an explanation of commercial malaise as any put forward by better-known seers like Cor-

relli Barnett.
But these writers were wrong about so much. Many in the New Left spent much of the 1960s and 1970s in a kind of guilty thrall to revolutionism which could lead to more or oreinstate a true reform.

Colina Macdougall

as in the like its view of the working class, as Raphael Samuel tells us here, was of a "unified totality" — a mythic pro-

which could lead to more or less open support for terrorism, as for the IRA. Its view of the

edited by Robin Archer Verso £22.95 (paperback £7.95) 172 pages Many of its leading activists, jection. Capitalism was seen

OUT OF APATHY:

Voices of the New Left

30 Years On

variously as omnipotent and near to extinction. Northern Ireland was a "colonial" problem and US hegemony "imperi-At the core of the problem,

as Stuart Hall reveals in the keynote essay to this collec-tion, was a terrible failure: that of making an equivalence between Stalinist communism and . . . social democracy. The New Left project, writes Hall, meant coming to terms with the depressing experiences of both "actual existing social-ism" and "actual existing social democracy" and trans-forming, in the light of these experiences, the very concep-tion of "the political."

Samuel, in an essay which seems Ironic but is never critical, talks of the New Left view that "communism (or what we called Stalinism) was socialist theory which had lost the essential ingredient of humanity ... social democracy was hardly better (!), a "tarted up" version of welfare capitalism..."

Can they have believed that murderons totalitarianism equated with a shaky corporatism? It seems so: and from this came the doomed and still con-tinuing search for a third way, never properly described, pro-grammed and certainly not costed, but allinded to as a "transcending" or "transform-ing" process in which the insights of the intelligentsia would fuse with the activism of

the working class.
It is now clear enough that socialism, if it is to be salvaged as effective politics rather than as an undefined moral absolute or a party label with little real content, cannot be found in revolutions, transformations or transcendent leaps, all of which explicitly or implicitly depend on a notion of class dominance.

In its place - the work is going on now - are efforts to assert what are the generally agreed features of a moral and sustainable society in which the education and welfare of all are a shared responsibility. the deliberate cultivation of a habit of citizenship, depending in turn on transparent, rational and accountable structures, the creation of which would necessarily entail a remoulding of the over-strained. anachronistic and inefficient constitutional and representativs arrangements we have in

John Lloyd

Sylvia Plath: the conflict within

Rachel Billington reviews an "objective" biography of a tragic modern poet

ANNE STEVENSON announces that she is writing an "objective" biography of Sylvia Plath in which she will approach her primarily as a poet. Yet, the new and most emotional material about her comes from the pens of friends and relations of Ted Hughes who are talking about ber behaviour as a wife, friend and

In particular, Dido Merwin writes a brilliantly scathing portrait of doubtful taste, which forms the final appendix which forms the final appendix to the book. Her image of Plath as the spoilt, self-absorbed, kill-joy rings unforgettably true and makes, as is clearly the intention, Hughes seem almost saint-like in his seven

years of loving tolerance.
Another friend, Lukas
Msyer, recalls that Hughes once told him that in the course of one morning working together in their flat, Sylvia called out to him 104 times. Olwyn Hughes, the poet's sister whose extensive contributions to the book "have made it almost a work of dual authorship," is known to be keen on correcting her sister-in-law's correcting her sister-in-law'a correcting her sister-in-law'a unrealistic golden girl/victim reputation. So here we have it: an "objective" portrait which is actually a defence of Hughes; an indirect attack on all the silly feminist hype (notably, Linda Wagner-Martin's foolish biography published here in 1988), and, inevitably, a severe judgement on Pisth — if not as a nost cer-- if not as a poet, cer-

tainly as a woman.

Anne Stevenson identifies two Sylvia Plaths: one (for whom we see little evidence)
who has "charm, humour,
great gifts and huge capacity
for affection," and the other
who is a "complex, completely
self-absorbed, stubbornly amhishell of bright capability contained a seething core of mex-plicable fury." It was this fury that was at the root of ber poetic energy and, ironically,

A Latin master of poetry

MARULLUS: SOLDIER POET OF THE RENAISSANCE by Carol Kidwell Duckworth £25.00, 323 pages

DID YOU know that the word Argosy, so appropriately to the fore in The Merchant of Venice, derives from the word Ragusa's did not. But one lives and learns. A great deal is to be learned from this book, a real addition to scholarship.

Renaissance Latin poetry is an esoteric taste. We should know much more about Marulhas's striking career if only be had written an autobiography. As it is, Mrs Kidwell has to build up the picture from the scraps intimated in his poems. The frontispiece gives us Botticelli's portrait of the man. We get the impression of intelligence and pride, a sardonic look, a very masculine figure. To this, the author adds his Greek patriotism, for he was one of the flood of exiles (after the fall of Constantinople to the Turks) who brought new inspiration to Italy. But he was always educating himself and carried a Lucretius with him

wherever he went. The Encyclopedia Britannica tells us that some of his emendations have entered into the traditional text. Not bad for a condottiers. That is how he earned his living and kept going — there was plenty of opportunity in the wars of the time. Early on, he seems to have penetrated as far as the Crimea and the sea of Azov. We learn how complicated is the history of these parts, of Moldavia and Wallachia, and of the Greek and Romanian resistance to Turkish expansion.

But Italy was the main scene of his activities, both as soldier and poet. He surfaces among so many famous figures. A friend of Sannazaro, of whom we are glad to learn more for his Arcadia was the inspiration of our own Philip Sidney. An enemy of Politian, who was such a nasty man that even Lorenzo de Medici's kindly wife had to throw him out of the house.

Marultus combined his love of fighting with literary friend-ships and the membership of the scholarly academies of Naples and Florence. His poetry was much admired by the Pleiade in France, by Ronsard in particular who imitated a number of his poems. From these, his life has been exca-vated skilfully by the intrepid

A. L. Rowse

BITTER FAME: A LIFE OF SYLVIA PLATH by Anne Stevenson Viking £15.95, 414 pages

was activated by Hughes' affair

with another woman to pro-duce the passionate end bril-liant Ariel poems on which her reputation rests principally.
Tragically, poetry was no therapy for rage, which quickly turned against herself so that in February 1963, at the age of 30, she put her head in an oven and turned on the gas. Sbs left behind her in the upstairs bedroom two children

Is an art, like everything I do it exceptionally well

I do it so it feels like hell. do it so it feels real guess you could say I've a call

- from "Lady Lavarus" (1965)

under three years old; a hus-band who had not thought himself estranged permanently from her, and a mother, Aure-lia Plath, whose obsessive rela-tionality with her daughter was a - if not the - major relationship in Sylvia Plath's life.
 This terrible ending, forecast

often in her journals and poetry and attempted with near-success 10 years before, has contributed to her fame. Anne Stevenson who is a poet hersalf and a contemporary of her subject, is at her most assured when analysing the mental state out of which Plath created. Sbs draws heavily on the journals in which Plath herself analyses her sense of guilt towards her mother and ber reasons for both loving and hating this woman who had condemned herself to a "lousy" life so that her dangister should have an ideal one.

After reading Frend, Plath identified her first attempted suicide as "a transferred murderous impulse from my mother to myself... Even so, to the last days of her life she was writing cheerful, loving letters to her mother (published in 1972 by Aurelia Plath under the title Letters Home). They should be required reading for any student of poetry or of family relationships.
The picture Anne Stevenson

builds up convincingly is of a woman as near schizophrenia as anyone can be who still functions at an everyday level.

That indeed, as Dido Merwin points out in a more sympathetic paragraph, was her prob-lem; for the signals she put out were not of a neurotically unstable woman but of one who was "brilliant, articulate, overtly ambitious, energetic, organised, enviably resourceful

in practical matters, blessed with a hearty appetite ..." It was Sylvia Plath who It was Sylvia Plath who typed Hughes's poems and sent them to poetry competitions or magazines. It was her push that was behind their successes. And it was she who kept her eys on the world even while her inner self tormented her. In 1957, while Hughes and she were in America, she identified her battleground: "I cannot ignore this murderous selfit is there. I smell it and feel it. not ignore this murderous self: it is there. I smell it and feel it, but I will not give it my name. I shall shame it . . I have a good self that loves skies, hills, ideas, tasty meals, hright colors. My demon would murder this self by demanding that it has person."

der this self by demanding that it be a paragon . . . "

The desire to be "a paragon" never gave her any peace. At Cambridge, she is making lists as a schoolgirl might, to reform her habits, "Be friendly and more subdned . . . Work on inner life to enrich . . . Don't blab too much . . . Keep troubles to self . . . Don't criticise anybody to anyone else . . . anybody to anyone else . . . Don't date either Gary or Ham-

Her apparent arrogance and efficiency covered a devastat-ing lack of confidence. This made her an extremely difficult companion, subject to ter-rifying swings of mood. It is possible that, in our modern psychiatric climate, she would have been treated clinically for this condition and stabilised at a level that would have made life happier for herself and everyone round her. However, this raises the question of the artist as human being. Should Sylvia Plath be expected to behave in an agreeably ratio-nal manner and be criticised if

Lukas Meyer comments that whereas Hughes was deter-mined his poetry should exist, Plath was determined that hers should be read. Elsewhere, Stevenson suggests that Plath lived her life entirely as material for her writing. Even her beloved husband was turned into a "Colossus," a figure out of ber creative life and not allowed to exist in his own right. Such remarks will anger Plath's feminist supporters who have cast Hughes in the rols of chanvinist predator. This biography makes clear, at least, that Sylvia Plath's prime enemies were always within herself. Perhaps now a more realistic assessment can be made of her poetry:

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China in turmoil

LAST 'SPRING, China's piece of condensation of their communist Party faced its biggest challenge since coming to power in 1949. Student prodemocracy demonstrations, sparked in April by the death of Hn Yaobang, the dismissed party leader, brought hundreds of thousands of ordinary peo-ple onto the streets of Peking demanding change. China's old guard was plunged in shame during what should have been its greatest triumph, the visit after 30 years of Sino-Soviet rift by President Gorbachev.

American publishing tycoon materials conversation with author Anthony Sampson

As we now know, it all ended in disaster. The hard-liners sent in the tanks, crushed the student movement and swang the ship of state from cautious reform to old-fash-ioned clampdown and control. Two recent books take a good and useful look at these events in Peking, others paint in the background, especially the reform years from 1978.

Even in the Chinese capital during April-June it was far during April-18the It was the from clear precisely what was happening. Marches, rumours, accusations, demonstrations all served to confuse. Strife between the reformists and the old guard meant that for days, even weeks, the leadership seemed to vaciliate and this cartainly encouraged the stu-dents to believe they would

Michael Fathers and Andrew Higgins were both on the streets of Peking during the crucial periods. Their book, Tiananmen: The Rape of Peking (The Independent, in association with Doubleday. £4.99, 148 pages), is a master-

THE HISTORY and form of the

towns of East Anglia must be crucial knowledge towards any

understanding of those eastern

counties. David Lloyd is an

indefatigable town guide, in

person as here on paper, and it

would be difficult to wrong foot

him. With complete justifica-tion, he has decided to include

many villages which once had

the status, as markets or ports,

of focal towns. They include favourite places in Norfolk

such as New Bucksnham or

Castle Acre, now small (if sur-

prisingly elegant) villages but

no longer with a market func-

tion; or Clsy-next-the-Sea,

Analysis comes indirectly in sharp asides, irony, and brief descriptive touches. It is

instant history, perhaps, but impressively careful on detail.

Simon Long, part-author of the Chatham House publica-tion, China in Crists (23.00, 51 pages), was also in the Chinese capital during the summer. His work is less an account of what happened and more of why; and to this Barbara Krug, in her chapter, adds the economic explanations. Political reform was never really on the agenda; when Chinese leaders talked about it, they meant administrative reform. They had not reckoned with the new awareness the "open-door" pol-

lcy had brought.

O' Peking's post-Tiananmen attempt to put back the clock to the days of tight control. Long is devastating. "It is as if the deck-chairs have been rearranged on the creaking ves-sel of the Chinese Communist sel of the Chinese Communist Party," he writes. "Meanwhile, down below, the old men are congratulating each other that the "Titanic has been raised, and are stoking the boilers for another collision with the very

same iceberg."
Elizabeth Wright takes a longer look at China. The Chinese People Stand Up (BBC Books 27.99, 208 pages) was written to accompany her BBC radio series of the same name marking 40 years of socialism. This fresh account of China, seen to reinstate a true reform. from the late 1980s, serves to remind us of how tragically its

octogenerian leaders are stuck in the ideologies of the past. Her one note of optimism on the future comes from the thought than now know there are alternatives to communism, a belief reinforced by events in eastern Europe.

Professor Vogel's book, One Step Ahead in China: Guang-dong Under Reform (Harvard University Press \$29.95, 510 pages), was written in happier times when reform, especially in Guangdong province, seemed set to launch China into the modern world. Although now overtaken by events, the Guangdong experience has been crucial for China and could be so again if wiser

councils prevail.

Ever more closely linked to the nearby Hong Kong economy, the province has grown faster than anywhere in China. Hong Kong also provided a window on the developed world where fellow Cantonese could supply managerial skills, investment and markets. Guangdong has been a hot-

house, if a controversial one, for Chinese economic experi-ment. But in the frigid post-Tiananmen atmosphere, even Guangdong is suffering as private enterprise falls from favour and Peking seeks to control its ambitious and inde-pendent-minded bureaucrats. It remains to be seen if the events of June will ever generate a fresh leadership which could use Guangdong's skills

Anglian odyssey

which : ceased to be a port because of silting.

More dramatic, although hardly visible on the ground, was the disappearance of Dunwich, on the Suffolk coast, which crumbled at an alarm ing pace into the sea. As Lloyd ponders, will the relentless erosion continue and drag Sizewell A, B and even C down to the same watery gravs in a century or two?

HISTORIC TOWNS OF EAST ANGLIA by David W. Lloyd Gollancz (in association with Peter Crawley) £16.95. 208 pages

the late Alec Clifton-Taylor. which were based noon his televised visits to the pick of English towns, Lloyd does not shnt his eyes and grimace In contrast to the writings of when the 19th century looms

bestows accolades on Colchester's 1899 town hall just as

This book provides a service by elevating the old, but lesser-known, towns of the region - such as Wisbech or Maldon - to take their places alongside the knowledgeable beauties of Kings Lynn, Bury St Edmunds or Thaxted.

Gillian Darley

up. Although Victorian and early 20th century develop-ment largely passed East Ang-lla by, compared with most parts of the nation, the author readily as upon the glories of Saffron Walden.

Outdoor living - inside

Lucia van der Post looks at conservatories and their many uses

REATING a conservatory seems to have become the latest post-Thatcher occupation of the well-beeled classes although conservatories are not, of course, a new invention.

Robin Guild's sumptuous new volume, The New Victo-rian Housebook*, tells us that the history of protecting plants through European winters goes back almost 2,000 years and that, even in Pompeian times, translucent sheets of marble were used in frames.

But it was not until glass

technology began to be devel-oped during the Renaissance that cooservatories as we know them began to appear. Their chief function then was to protect the plants that explorers and botanists were bringing back from far-flung

Orange trees were one of the earliest to catch the eye of fashionable gardeners. These used to sit outside during the summer and then be ushered into the greenhouse or conser-

vatory for the winter. are seen less as a way of preserving exotic plants than of providing exotic living space. Few people who embark on building them need the extra room - the typical buyer is

already well-housed - but

they see e conservatory as a way to enjoy all the pleasures of the great outdoors with none of the inconveniences. Inside their glass-lined world, surrounded by cool, green plants and e few colourful blooms, they have neither the trappings and claustropho-bia of an indoor room, nor the wind and rain of the British

Here, they are cocooned in a magical, timeless world; and there are few more enchanting ways of having a aummer Sun-day breakfast or a winter's dinner party than in a candle-lit, well-furnished conservatory.

Whereas conservatories are seen mostly as extensions of the sitting-room or kitchen, the uses to which they are put are

almost endless. Increasingly, it peg or custom-made or some-These days, conservatories seems, people who work at thing in between — that is, you bome plan e conservatory-cum-study. The more affluent might commission one to house a swimming-pool; others use them as play-rooms (taking for instance, will design one to care, of course, to have well-toughened glass), studios, art galleries, or second sittinggalleries, or second sitting-

> For Londoners, a conserva-tory linking ground floor and patio, or covering a bland, flat roof terrace or balcony, offers a charming way of increasing floor space and number of rooms without involving vast expense or trouble. Unless you live in a listed property, or it has been extended already, you do not generally need planning

labour costs.

It uses western red cedar,

painted with a micro-porous

traditional mode, and the com-

Regency Conservatories is another company that speci-alises in hand-crafted, individ-

ual, one-off designs. It, too,

makes a speciality of taking

great care over creating a har-monious whole between the conservatory, the house and

the environment, Regency uses

The number of companies

entering the conservatory mar-ket seems to increase daily,

and the best advice I can offer

Crucial to most people is

the bouse and surroundings. A

disastrously unsympathetic

structure simply tacked-on to

Matching style and materials

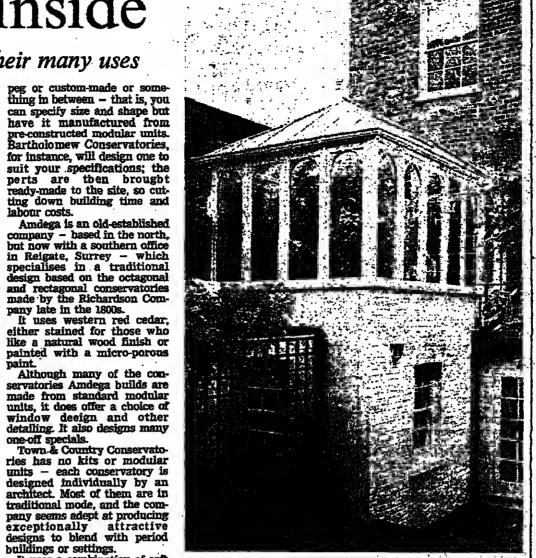
should, in theory, prove your

best bet - but, as in every-

thing, much depends on the

of window styles.

You can spend as little as 23,500 if it is small and off-thepeg, es much as £20,000 or £30,000 for a big country con-servatory — and well over £30,000 for one large and grand enough to cover a swimming



A conservatory for a small roof terrace in London, designed and built by Town & Country. Measuring 14ft by 12ft, it would cost somewhere between £10,000 and £15,000.

sensitivity of the designer to your project.

Make sure you get several quotes and design suggestions and think carefully about the materials you like. To my mind, timber is the most sym-pathetic but various synthetics often provide a much cheaper

The best conservatories are double glazed and - again in my view - you would be fool-ish to stint on this; condensa-tion (caused largely by singleglazed windows) was as much responsible for the decay and rot of Victorian conservatories as external weathering. So, check all designs for mainte-nance as well as for aesthetic

But double-glazing sometimes means the room can become unbearably hot in summer, so ask some trenchant questions about ventilation and blinds - this is particularly important if you are thinking of using the room as a studio of work-place. *£19.95, published by Sidg-

wick & Jackson on November

Bartholomew Conservato ries, 277 Putney Bridge Road. London SW15, (Tel: 785-7263). Town & Country Conserva-tories, 8/9 Marray Street, Lon-don, NW1 9RE (Tel:

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☐ Room Outside, Goodwood Gardens, Goodwood, Chiches-ter, West Sussex. (Tel: 0243-776-563).

☐ Regency Conservatories, Guif House, 370-372 Old York Road, London SW18 ISP. (Tel-

Marston & Langinger, George Edwards Bond, Faken-ham, Norfolk NR21 SNL, (Tel-0328-4933), or 26 Bristol Gar-dens, Little Venice, London W9 2JQ. (Tel: 01-286-7643).

schoolboy carving his initials into the young bank of a tree

The tiny scar grows bigger as the apple swells and makes it

unacceptable to an ever-more demanding public.

True Greens will not mind in the least, since the scar is

superficial and in no way

impairs the size or flavour of the apple; in fact, they proba-bly would regard it as a mark of virtue, indicating that no chemical control had been

used. Yet, unless there is a

demand from commercial

food-growers for this virus, it seems unlikely that it will become available for use in

gardens. This is surely a case

where some of the environmen-

The value of gardening as group therapy

Robin Lane Fox has an idea to help pass a long, quiet winter

country fanciers will once again be weeded out from country enthusiasis, or those with no alternative. Whatever de they all talk

about?" a London to country migrant asked me recently. She spoke with experience. In the Borset countryside, notody spoke a word to her. Perhaps she forgot to mention planning permission, the one avid topic of conversation locally. Otherwise, the rural wall of slience is an old

In the 1820s, according to William Cobbett, it confronted you everywhere unless you talked about game. Cobbett ought to have known. He had ought to have known. He had made rural rides around England; and on this very weekend, in 1823, he was protesting about the level of conversation in Hampshire. The talk was almost entirely about shooting, unless it happened to be about hunting:

happened to be about mining:
he reckoned that, between
them, the two topics accounted
for more than it, per cent of
the words exchanged in the
English countryside.
The shooters, he realised,
were the worst because they
were the most selfish (their
worst involved were few

sport involved very few people, perhaps only themselves) and they told has They exaggerated what they had shot. One Hampside gentleman.

even tried to cheat in ". Cobbett's presence by pretending to have brought down 100 partridges in the dropped the "hundredth" from his existing pile of dead birds and claimed that he had hit it, whereas Cobbett knew perfectly well that he had

Hunters, at least, love to talk about each other and their mistakes. I do remember hunting with a man who claimed to have jumped a boundary hedge with the rest of us when we knew that he had gone by the road: admittedly, he was a visitor whose ideas of hunting had: been formed in Essex.
In his time, Cobbett noticed that hunting involved a hoge

undergrowth of rural intere just as it still involves raffles, whist drives and parties which raise money from hordes of willing villagers so that a few farmers can have hounds behind which they ride horses while the villagers block the roads by following them in

cars. What Cobbett missed, of course, was gardening. Even in the 1820s it must have been in the 1820s it must have been a primary topic of talk, and even in Dorset if can surely break the ice. We do not give it enough credit for its value as group therapy.

It is not the purest of pleasures as Francis Bacon described it-quite often, it is pure hell. But it is the one pleasure, encourages everybody.

solitary, encourages everybody to talk about it, even if they

I ought to know becau all year round, people who are not doing it hold country quizzes in order to talk about it and persuade a gardening writer to fail to answer their

Hour after hour, rural andiences willest in half-heated halls in order to

listen to each other'e impossible questions. In Dorset, too, there must be people whose onions have rust, whose crown imperials tefuse to flower, and who want to grow sumething in deep shade under a yew tree.

I often wonder if Gardeners Question Time started the fashion or if, as I suspect, it was only the final landmark whereby this old rural art form won public space on the and Receivanty est a new standard for the performance of amateur quiz masters.

Here, then, is my top tip for November. If it promises to be a long, quiet winter locally, and if you hats all forms of game, why not start your own gardening game show and break the season's

It is mnazing what people will fell each other in villag halls, it was at a quie that I first learnt an invaluable way of applying weed-killer to individual weeds in a flower best a member of the audience told us that she used old



filled with diluted

Tambleweed.

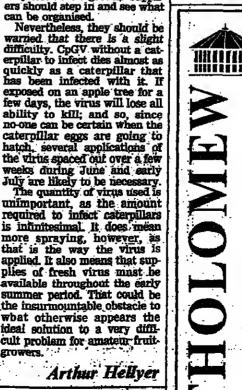
I have even heard an amply-built lady tell an audience, in answer to a question about seed boxes, that she germinated crocus seed in compost in the cups of one of her old brassieres.

excellent through the cloth. . What people like best of all is when an "expert" is shown up. Not very long ago, a well-informed gentleman complained to a quiz audience that he had followed some old advice of mine outplanting aweet peas in pig manure, and had allied the lot because it burnt them. He had, I think, made a mistake in the first place because it was a piece in which I admitted to killing thear by trying the

Still, the audience took his word for it and was even more inclined to disbelieve me when the next questioner, a female, began her question by saying that she usually took me to bed with her on Saturday

Awful possibilities floated through the minds and 100 tongues prepared to wag, but she went on to say, "And, of course," I take Arthur Hellyer, too, and attend to him first." We realised, then, that she

was referring to the Financial Times, but it did wonders for rural conversation, proving that there is more game in the English village than Cobbett or casual migrants might suspect at first inquiry.



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This conservatory by Marston & Langinger links three rooms of a villa in St John's Wood, north London. Measuring 17ft by 11ft Sins, it has large double doors. The period detailing — metalwork on the roof and the "Gothick"-style windows — give it a mellow look that blende in beautifully with the surroundings.

Gardening

When predators aren't pests

site sound ominous but when they apply to organisms which attack one's enemies: the reac tion their names provoke can be quite different.

Gardeners heve alwaye appreciated the activities of some natural predators in their garden: the birds which live on insects, many (but by no means all of them) harmful to plants; the moles which bur-row industriously in search of leatherjackets and other crea-turee living in the soil (although they also devour worms, which could be regarded as an unfriendly act regarded as an imminantly active except by green-keepers); toads, grass snakes and hedge-hogs, among the larger creatures; and insects and smaller creatures such as ladybirds, lace-wing flies, hoverflies, ich-neumon flies, some ground beetles, centipedes and spiders. These are all seen as vari-ously useful and, therefore, to

be encouraged rather than destroyed. Much of the objection to pesticides has arisen because of the damage some can do to useful organisms such as these.

In recent years, spurred on by the campaign to produce a safe and more stable environ-ment, there has been a search for exotic predators not found wild in Britain but capable of living in the UK under certain conditions - so adding to the gardener's armoury of what are sometimes called "natural" methods of pest and disease

It is by no means certain, however, that a living organ-ism introduced to an alien environment is necessarily more natural or safer than a chemical which cannot reproduce and so, possibly, get out of control. Nevertheless, there have been some striking successes, notably with control of the discharge white fir by the glasshouse white fly by a small insect named encarsia Formosa, found in some tropi-cal places. More recent, and perhaps more significant, is the remarkably good use that has been made of one mite that kills another mite - a case of setting a thief to catch a thief.

The predator in this case.

with the difficult name phyto-serulus, is a native of Chile and



spider mite, which thrives in Britain when temperatures are high and the air is dry.

These exotic predators are let loose when conditions are right and there is sufficient of their favourite prey to enable them to breed and multiply rapidly. The difficulty is that as the prey diminishes in numbers, so do the predators, until some kind of balance is reached. Often, this balance can be quite satisfactory to the gardener or grower, but not always.

Some of these difficulties were considered recently in a day-long seminar held by the East Malling Research Associa-tion. One of the biological con-trol methods discussed was a virus which can infect some caterpillars with a fatal disease. The virus, CpGV, was discovered in California in 1963. It attacks a small range of closely-related caterpillars, includ-ing those of the codling moth which do a vast amount of damage in British orchards to

This has always been a difficult pest to control because the female moth lays her eggs singly, each in the eye of a young apple. As soon as the caterpil-

the core of the fruit where it is sale from birds, pesticides and almost anything else – except CoCV. The snag, however, is one that is a great deal more serious for the commercial fruitgrower than the home gar-

days to kill the caterpillar, which gives it time to start burrowing and make its mark on the apple - rather like a

lar emerges, it eats its way into

hatch, several applications of the virus spaced out over a few

ener. The virus takes several

weeks during June and early July are likely to be necessary. The quantity of virus used is unimportant, as the amount required to infact caterpillars is infinitesimal. It does mean more spraying, however, as that is the way the virus is applied. It also means that sup-plies of fresh virus must be available throughout the early summer period. That could be the insurmountable obstacle to wbat otherwise appears the ideal solution to a very difficult problem for amateur fruit-

Arthur Hellyer

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those affective barriers which impede progress. The BBC came to film us for

their « Business Matters » series. They called the programme «Does Anyone Here Speak English? >, but as we are based in the Dordogne it ia, of course, French that you will hear all around you. Writing in the Times Educational Supplement, Josephine Gardiner wrote « At first, the course appears highly structured: 80 hours of working time, every minute of the day accounted for - but in reality the structure is only there to provide contexts that make communication inevitable. It's

Andy Anderson asked in the FT «Does it work?» and answered « After seven days I was atill far from reading Sartre in the originel, but my vocabulary and pronuncietion hed improved immeasurably, my once shaky grammar was now on firm foundationa and, above all, my confidence had improved a thousand-fold. >

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the year, from Saturday to Saturday, in four stages : Elementary (for those who studied French at school but have no working knowledge); Intermediate I and Intermediate II (good working know-ledgel; and Advanced. It also offers a three-day course for total

The fee is FFr 8,900 labout £ 850). This includes all tuition, accommodation in aingla or double rooms, usually in chalets in the château grounds, three

The chateau has a bar, gymnasium, swimming pool, tennis courts, Californian fitness track and bicycles for axploring the countryside. Château Valouze is in the Dordogne 40 miles from Bordeaux, the

nearest airport. The nearest station is Libourne. CIEL can arrange transfers. Further details from CIEL, Château da la Valouze, BP 18 24490, La Roche-Chalais,

itel. 53914428; fax. 53914880

'At home' with a great chef

Lucia van der Post visits Michel Roux to see the kitchen of his Berkshire cottage

OR MOST of us the desire to peep into the private kitchen of a great chef is more than just prurient curiosity, it is also an opportunity to learn. When food is your business, the chances are that the kitchen, even in your own strictly domestic domain, has to be more than just another pretty place. Peo-ple who care about food and its preparation don't lower standards simply because they've shut their own front door.

So when leading the Mithel Roux asked John Lewis of Hungerford, a nearby kitchen company, to build a pristing kitchen for him in the cottage he and his wife, Robin, share next to The Waterside

the design world who knows everyone gave me a list of various names and com-panies and I approached several of them completely incognito. I liked John Lewis' approach. He came to see me himself and took great care to listen to what I wanted and to bring my dreams alive. I don't like follies — or not in the kitchen. I like things which are simple, practical and

Inn at Bray, in Berkshire, it seemed a good chance to see just what sort of kitchen a professional chef chooses for himself.

First and foremost Michel Roux wanted a serious working environment. He wanted it solidly built to last. "A friend in looks remarkable in its simplicity. No fancy nooks and crannies, no twee little fract rustique panelling or any other decoratorish fols de rols. No ruched blinds or rag-rolled cupboards — just clean white lines, as white as his starched chef'a clothes. Shelving and cabinets were spe-cially adapted from a standard solid wood John Lewis range - Drummore Castle -but were painted bright white and the

finish. On the floor are 18in square white industrial tiles. There are lots of open shelves for pots and pans to be snatched and put back at top speed. All the white painted shelves have been given a protective sycamore edgings. There is not a great deal of storage as Michel Roux likes to buy selon le marche.

All the working surfaces are made from a marble-like material called Corian which

Michel Roux loves. "Even the sink is made from this marble and it means all my vegetables can be kept cool so they don't get tired and stay crunchy. I asked for a very big sink so that I can refraicht the vegetables easily and don't have to fiddle

vegetables easily and don't have to nimite about doing it in batches."

There's a classic wooden island unit for food preparation. The frame and legs are sycamore and the top surface is divided into an end-grain maple side for cutting meat (he is very careful about avoiding cross-contamination of flavours and uses small chopping-boards for dealing with food such as fish, onions or garlic) and Corian for making pasta, pastry or bread. Corian for making pasta, pastry or bread. There's a stainless steel slot for his essenrhere's a sames seer suct for its essertial knives — mainly knives he's had for years, Sahatier and Solingen. "At least two-thirds of my knives are between 16 and 20 years old and they go everywhere with me. I always go for steel blades which least a long time." last a long time."

When it comes to equipment he is, he says, classical in his approach. "I like very high-quality equipment but not too many gadgets. I chose a Paul Bocuse cooker from the French company of Rosières which has two ovens and five burners one of which is high speed." One of the ovens is a convection one for patisserie, soufflés and the like while the other is a conventional oven for roasting, poaching and day-to-day cooking.

"The good thing about having two ovens is that if you don't need both for cooking you can use the second one for heating plates or for slow-cooking some meringue," says Roux. The refrigerator and freezer are also supplied by Rosières and are built-in. Saucepans are stainless steel with copper-strengthened bottoms. He keeps a few traditional copper pans for

making sauces.

He's not keen on kitchen gadgets. "I do things the traditional way — some gadgets are serious but at least 75 per cent of them are rubbish. In all my kitchens I always have a Robot Coupe. It is like another person — it chops, makes mousse, it does everything. I don't have a pasta machine. I am an old fox who prefers to make his



make marvellous pasta.

"I also have a little Hobart mixer whisks and it makes dough. Then I have a most wonderful ice-cream machine (La

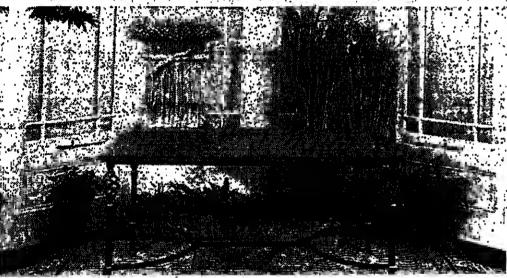
Gelatiera) which makes proper fruit sorbets — I just buy fruit, press and sleve it and put in the machine. People use too much water — my sorbets are just pressed fruit and they taste wonderful. If I am in my house in the south of France at this time of year I just go to my vineyard and pick some eating grapes, put them through a sieve and and into the machine and there you are."

Though it is no good pretending that Michel Roux's kitchen is cheap (a similar kitchen would cost roughly £30,000) it is the high quality of its equipment — the French double-oven, the stainless steel

own pasta but I have seen some that do canopy, which houses the extractor fan, make marvellous pasta. and so on - which puts the cost up. There are lots of ideas there that any cook thinking of revamping her surroundings might do well to think about – the island unit with the two different surfaces for prepar-ing different foods, the Corian working surface and sink, the open shelving for easy access and son, the open satelying for easy access and so on. Perhaps most interesting of all is that here we have such a simple, clean-lined, yet professionally planned kitchen — a kitchen for the serious cook of the 1990s?

B. John Lewis's main office is at Unit 2,

Limborough Road, Wantage, Oxfordshire, OX12 9AJ. Tel: 02357-68868. He has five shops, one each in Hungerford, Henley and Bath, and two in London, including



facing page - you may be looking for some accessories

Town & Country Conservatories has opened a conservatory shop at 8 and 9 Mmray Street, Cauden, London NW1. It is full of

temptations, the essentials and inessentials for conservatory living, the magic touches to give it charm and

armosphere.
All the pieces are shown
in two specially-built
conservatories so that you can
gauge how they would look
in situ. There are antique chandeliers hung with crystal, ancient busts and modern terracotta, huge citrus trees and traditional English willow

There are small flowerpois for as little as £1.50 and there are wall fountains made to order at several fliousand pounds a piece. There are tiles, lanterns and special antique one-offs that you won't find anywhere else. You don't need a conservatory to find the things beguiling — many would look good in halls, on paties, balconies or terraces. But if your conservatory is currently looking a little less lush and well-furnished than

lush and well-furnished than you'd like this is a good place to start searching. Shown in the photograph above is a table of sturdy slate and steel designed by Richard Mudditt, who buys and designs special items for the shop. Measuring 2ft 7in by 4ft 7in, it costs £950. On it is one of a series of decorative wheatsheaves in a terracotta not—this one costs £145 and pot — this one costs £145 and though this sounds a great deal they do last.

ST. JOSEPH'S HOSPICE MAREST LONDON ES 45A (Chanity Ref. No. 231323) Since 1905 we have shared the gief and eased the pain of countless suffering souls. Last year alone 900 found peace with the help of your vital pits. Most of them died of

Your concern is as encoura as your generosity and we thank you for your inspiring trust. Sister Superior

cancer-but so serenely that you

would hardly know.



Gall Roife, of the Daily Mail, wondered whether it was a joke, an insult to women or a serious sartorial statement? a serious sartorial statement?
Liz Smith, of The Times,
played safe and gave us the
sober news first, homing in
on "the enduring timelessness
of St Laurent's signature
style" before venturing the
opinion that "it was clear St
Laurent intended to shock."
Over at St Laurent they

Over at St Laurent they can't see what all the fuss is about. "It is," they say loftily, "a definitive statement of a one shoulder dress. It was great fun, a runway state it made wonderful theatre but it mans wonderful theatre but in real terms you and I would pull it up across the bust." But they, too, are left with a little niggling doubt. "Could it be," they ask, "the return of the bosom?"

My advice? Follow the hot money - into central heating and bosom-firming creams.



The status symbol for your top pocket

m MONT BLANC — particularly the Meisterstuck — has been the pen-about-town for the last decade. pen-about-town for the last decade.
Challenging it for pole position in top
pockets is a new arrival on the UK scene
— though its origins way back in
Hanover, West Germany, are more than
150 years old — the Pelikan. It relies on
much the same archaic imagery as the
Mont Rlanc but has a highly efficient
ink-feed mechanism well-hidden in
antique-looking cases.

Sketched, near right, is the pride of the Pelikan clan — the Toledo. Rach harrel is handcrafted and decorated with silver overlaid by 24 carat gold. The finely-chased nih is of 28 carat gold.

It comes with a price tag of £425 -enough to make even the Melsterstuck, at around £120, seem cheap.

Sketched far right is the Souveran which sells at £150. The first Souveran, with its distinctive ridged green/black case was made in 1929.

These days the appearance has hardly changed but the innards are as up-to-date as you could wish. All Pelikan pens offer a choice of eight nibs. Left-handers who buy them from Mansfield, 30-35 Drury Lane, London, WC2 (mail order available for £3 to cover postage and packaging) can have the nibs altered free of charge.

The pens are also available from most good pen shops and stockists.

Compiled by Lucia van der Post

Your chance to do a good turn

■ IF YOU feel that this Christmas you'd like to do something more than guzzle food you could do without — and exchange presents you hardly need — you might like to think about offering a temporary home to an overseas student during

To be alone, far from home in a foreign country, makes Christmas for many students more of an endurance test than a pleasure. Host is a charity, set up by the Foreign Office, the British Council and the Victoria League, which aims to introduce overseas students to British people. Each Christmas Host looks for friendly people to welcome students into their homes for a few days over Christmas.

Host offers a small contribution of £5 per night per student and if you feel able to help contact Host at 18 Northumberland Avenue, London WC2N 5BJ. Tel: 01-925-2595. Last year the organisation found homes for nearly 1,000 students.

How to give chairs a facelift

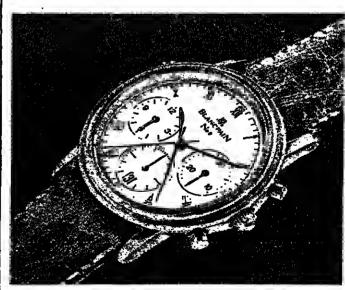
INFINITELY quicker and cheaper than reholstering a shabby chair or sofa is to put a dashing length of fabric around it. Early's, of Whitney, Oxfordshire, has started mar-keting an idea from the Italian firm of Bassetti — the grandfoulard. This is a household version of a scarf – a quick and ingenious way of giving new life to furniture that is past its best. There are ten designs in various colourways and they all come in two sizes

- 270cm x 270cm or 180cms x

270cm. They cost £39.95 and £49.95 each — a large chair

may well need two. At the moment they are on sale at Harrods and Peter Jones but they will shortly be going into a wide range of good household stores.

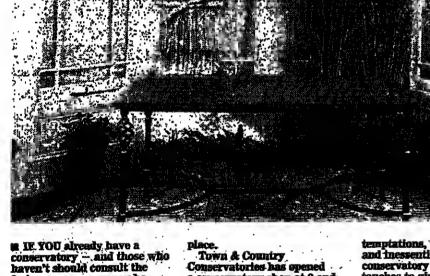
■ Since Heather Farmbrough's article a few weeks ago on childproofing the house read-ers have been wondering how to get in touch with Child-proof, the company Heather consulted, for her own home. Virginia Darley, who runs Childproof, can be contacted at 84 Wolfington Road, London SE27 ORQ. Tel: 01-761-3895.



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Clean and simple lines in an airy working area

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For a copy of our Annual Accounts please write to Martin Jourdan, Chairman.

Cornwell Parker pic, P.O. Box 22, Frogmoor, High Wycombe, Buckinghamshire HP13 5DJ.

Not more than ten miles from the Scottish city of Perth is the Firth of Tay and the smaller River Earn.

It is on the fertile southern bank of this estuary that you will find a 300-acre farm known as Jamesfield.

Even though it's set amidst a landscape of rolling hills and lush evergreen woodlands, the farm isn't particularly picturesque.

symmetry of its oats, The pleasing. wheat and barley rows is disrupted by an unruly scattering of wild oats, chickweed and Fat Hen.

idea to transform Jamesfield into a sort of organic R&D laboratory, our pulse quickened.

The plan was for the European Commission, the Scottish Development Agency and Safeway to shoulder the financial burden of what would, in the fullness of time, be Europe's most exciting agricultural project in decades.

Eleven scientists would be assigned to Jamesfield.

To run Europe's leading organic farm, we recruited eleven staff and several million volunteers.

The reason for this is simple: Jamesfield is an organic farm. As a result, its fields are not treated with chemicals.

So instead of pesticide, Jamesfield relies almost entirely on the good will of its volunteers, like owls, ladybirds, hoverflies, The all-in-one lawnmower and fertilizer unit

frogs, blue butterflies, wasps, dragonflies and spiders to keep the pests at bay.

In place of synthetic fertilisers, He attacks the bugs the farm employs cattle, sheep, goats, earthworms, legumes and fungi to enrich the soil.

And as an alternative to herbicide, it has to resort to hoes and hard labour to control weeds.

Although Jamesfield is no scenic spot, we have a soft spot for the farm. After all, we were the first supermarket to sell organically grown fruit and vegetables nearly

With Kermit, who

nine years ago. (Today, Safeway handles well

The organic plough.

over 50 varieties of organic produce.)

So when the Edinburgh School of Agriculture came to us

some time ago with the

Their job: to leave no stone unturned Aphids quake in fear no avenue unexplored.

> They would investigate the role organic farms can play in feeding the country.

They would strive to show to one and all in the agricultural community that chemical-free farms can indeed earn their keep.

They would experiment with organic methods of growing traditional crops. (Luscious vegetables grow perfectly well without chemicals being used.)

demonstrate

'non-commercial'

benefits of organic farming. (Clean, sparkling rivers,

for example.)

And, last but not least, they would share all the knowledge gained at Jamesfield with the rest of the Continent. Jamesfield would, in other words, be a classroom for the future generation of European organic farmers.

Being the country's leading organic greengrocer, we're glad we could be of assistance to Europe's leading organic farm. Naturally. SAFEWAY

FOOD AND WINE

Treading the Beaujolais

Nigel Buxton takes a week off to walk in the countryside

IN A FEW weeks, when Beaujolais nouveau is in the news and people are speculating about "the vintage of the century," I shall make a quiet libation to the gods in gratitude for the week during which I went from one end of the Beautolais to the

arcial .

Sfleld

other in the course of what could well prove to have been my walk of the year.

I would gladly do it all over again before the new wine flows in the wine columns if I had the time; for although the southern Burgundy countryside was lovely in September, it will be lovlier still from now until winter hugs too tightly - the vines and hardwoods above the côtes every shade of colour from chablis to claret, the sky on a sunny day a fine-filtered blue. The Beaujolais is only about 35 miles from top to bottom, and on a very rough average 10 miles from side to side, so walking through all of its appellations — crus, plus, Beaujolais simple and Beaujolais Villages — in a week does not demand a . . Brobdingnagian stride, although so far from straight are the highways, so far from level most of the terrain, that a fairly early start and no more than a modest expenditure of tima on dégustations and lunches is advisable to cover the list.

In this, as in certain other summer, when the temptation to linger over idyllic picules might be harder to resist. For my part, 12 to 15 miles between the café complet and a hath before dinner are sufficient. And if now and then a lift is begged or a taxi ordered to start or end the day, one might take comfort from Hilaire Belloc, lover of both wine and walking, who certainly cheated a trifle when researching his classic The

Beaujolais pure and simple. the most southerly and by far the largest of the 12 appellations, and which produces most of the nouveau with the exception of certain outlying areas - might be the lowest in the official

shop this week and more were lined up on the pavement out-

pumpkin soup were invariably on the menus of those I spoke

UPERMARKET chiefs have started to raise

their heads above the parapets. Thay have some sympathy from me: food poisoning is the recurring nightmare of anyone who pre-

pares food for public consump-tion. It might be the private nightmare of housewives with

families as well, but they can (and do) shift the blame on to shops if something goes wrong.

There was a time when sal-

monella was the scare word.

Then came listeria, and now

the bogey is bovine spongiform encephalopathy (BSE). People who are scared by these things have been getting very scared indeed and mightly mistrust-

ful, too. And when customers

run scared, so do the multiples.

Lord Sainsbury running scared

any more than John Gummer,

the present government custo-dian of this particular hot potato. Unlike Gummer,

though, Sainsbury has a business to be defended and he

beld open house boldly the other day for the Guild of Food

Writers, which was invited on behalf of the public to pile on

Attempts to give him a hard

time largely were frustrated.

Were you to be poisoned by food you bought at the family's

supermarket chain, you would

the questions.

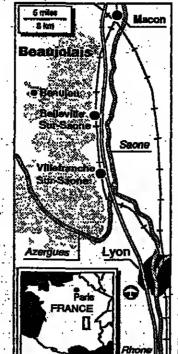
Actually, I cannot imagine

hierarchy of quality but is also the prettiest part of the viticultural region of the Beaujolais. It is more what the French would call accidenté than the rest more hills, deeper valleys and the streams more numerous. And if a 1:25,000 scale map of the IGN (Institut Géographique National) Série Riene is destrable elsewhere, it is virtually indispensable here for the walker who wants to leave the asphalt for clay.

Further north, over the Morgon stream, on a line roughly east west from Villefranche, one has left most of the appellation of Beaujolais and has entered Beaujolais Villages territory, of which, surrounding the crus, there is plenty more to come. An hour or two of ups me. An hour or two of ups and downs and twists and turns through virtually continuous, but never boring; acres of the Gamay vines and one is in the most southerly of the 10 crus and wondering if one has the time and the energy to walk up the 1,587 ft-high Mont Bronilly. On a hot day at the end of the vendanges, I did not wonder for long but went on north and a little east across the very modest River Ardieres to the Château de Pizay (a member of the Relais et Châteaux organisation of hotels) surrounded by its own

invited Pascal, chef de cave, and I made a short tour of wine-making premises hardly less grand than those of the hotel. "Come and have a taste," said a man in blen de travail who owns an acre or two of vines a little further along the road and sells most of his grapes to a well-known firm but makes a little wine for his private use, and I found myself in an old wagon shed at 10.30 pm drinking what seemed one of the most.

delicious Morgons ever.
Morgon, Chirouhles, Fleurie,
Moulin-a-Vent (which is actually at Les Thorins) s, Juliénas, St-Amour With a glimpse of Régulé Durette, to the east of Morgon, I made my zig-zag progress



north. On a hillside looking across the valley of the Douby stream to hilltop Chiroubles, my picuic wine was an unlabelled bottle from the wagon shed in Morgon. High up on the Pic de Remont looking down to Chenas, I swore to myself that I had never tasted a better Fleurie than the one I had acquired at the co-operative where it had been made and which went so delectably with baguette and butter, followed by terrine en croute. St Amour not only shares with Fleurie the distinction of being the most popular of the crus of the Beaulolais, but in this context territorially the less on the barder with the last, on the border with the Maconnais, and I came to it not going north but, a day or two later, going south.
Cluny, Prissé, Solutré, Pouilly,
Fuissé, St-Verand, St-Amour.
The vine in the Maconnais
shares the land with pasture
and plough and forest far more than in the Beaujolais;

of way.
Oh, to be in Burgundy now that autumn is there! Oh to start in the Maconnais and end at some cave in the Beaujolais awaiting - or anticipating - the release of

yet, for many miles on ancient

paths, never very far from the

where for centuries the pilgrim trod but where the modern motorist has no right

vigneron's door, you find

good, firm going underfoot

A real thirst for experience

Jancis Robinson explains why some wine-makers have become world travellers

T THIS time of year it must be awful to he married to a northern hemisphere wine-maker, especially a good one who knows he has just one annual chance to show what he can do with a truck-load of grapes and, during vintage time, will accordingly ignore his family in favour of his fermentation vats. But the worst wine-making spouse of all must one of the increasing number of trans-hemisphere tinerants who have decided that making one vintage a year, as Nature surely intended, just isn't enough.

Airline companies, on the other hand, have benefited from the tide of Australians, New Zealanders and Sonth Africans who have flown north to catch a second autumn and, therefore, grape harvest - in Europe and North America, just as they benefited ear-lier in the year from those Europeans and North Ameri-

cans who flew south to work in Australian and South American cellars. Doing two vintages a year is now common-place in the wine world, and those with a real thirst for experience may even manage three.

One keen chap from the Ardeche showed the way by making two out of the three annual grape harvests in humid Venezuela as well as overseeing his own vintage back home in France. And Martin Shaw, a young Austra-lian wine-maker whom I managed to track down by phone in his RMW between Bordeaux and Libourne the other day, is aiming at three next year. Not aming at three next year. Not content with making wine in September/October in France and in February/March in Chile, he is planning a third vintage in April 1990 from his new, particularly late-ripening vineyard in South Australia.

He must be crazy (and, indeed, describes himself as 29 going on 45), but he could still formulate an explanation for this frenetic existence. "In a lifetime, a normal wine-maker might expect to make perhaps 30 vintages. Doing things this way means I could probably see as many as 70 or 80, although the way things are going - oh dear, I'm just about to crash into someone - I'll be lucky if I see another four!" Of course, there is nothing



especially new about wine peo-ple benefiting from the sea-sonal difference between the hemispheres by travelling the world and indulging in a little industrial espionage in foreign cellars. What is new is that an individual can have real winemaking power in both hemi-

The seeds were sown in 1978.

As Miguel Torres Jr was branching out quietly from his family's base in Penedes in northern Spain, and investing in 150 hectares of the then terra viticala incagnita of Chile, a couple of Australians were walking considerably more making considerably more noise about their cheeky inva-sion of the wine world's epi-centre, Bordeaux.

Wine writer and judge Len

Evans brought the expertise — and his mate, Peter Fox, the dollars — to buy the Graves Chatean Rahoul, and the Barsac Chateau Padouen, to provide these Antipodean interlopers with something to drink at the end of the meal. This parathe end of the meal. This par-ticular exercise in audacity came to a premature end in 1982 when "Foxy" died in a car crash. But the Australian who oversaw the initial vintage at Chateau Rahoul, Brian Croser of the Petaluma winery, has since introduced some new variables into the hi-continental, maxi-jetlag wine-making

Croser was then, and remains, one of Australia's most influential wine men, a

living embodiment of the Down Under philosophy that the ideal winery would be strapped to the back of the car. He commutes thousands of He commutes thousands of miles each vintage time between patches of just the right fruit, and is quite happy to blend different batches of geographically unrelated wine if he thinks they will result in a better whole. He has finally laid the foundations of a winder will be the had a winder will be the will be the winder will be the will be the will be the will be will be the will be wil ery building high in the Adelaide Hills but one senses that, like Crocodile Dundee, he feels it namby-pamby to have a permanent base.

Not that he spends much time there, however, now that he has bought his own stake in tha northarn hemisphere. Many round-the-world tickets later (once losing a suitcase containing the entire working papers for his new American winery), he is about to launch his own Chardonnay made in a converted fire station in a

small town in . . . Oregon.

Wine-making mania clearly is contagious. Shaw, our friend in the BMW, worked for Croser at Petaluma and, of course, just had to travel. As a result, it is he who is credited with the dramatic re-styling of the various Chateau la Jaubertie wines in the mid-80s when he applied Australian technique to Bergerac grapes chez Ryman, late of the stationery

Now, he has moved on to a much more ambitious (and more sociologically interesting) application of trans-hemi-sphere production methods. Flying Wine-makers is the name of his team; this year, three Australians and one French convert who swooped into four co-operatives in south and west France, creaming-off make into wine the Australian

According to Tony Laithwaite of Bordeaux Direct and the Sunday Times Wine Club - who hatched the scheme in 1987, financed it and is now selling most of its produce in Britain – this means "utter dedication, the ability to go without sleep for days on end and rigorous cellar hygiene."

A geographer bemused by the Australian notion that

human input can overcome a the French to show them how less-than-perfect site, Laith- to treat fruit a little more

waite prepared the ground for the politically sensitive Flying Wine-makers' scheme by sweet-talking the co-operatives in such distinctly non-classic communities as Limoux, in the Pyrenees foothills, and Coussergues, near Agde on the Med-iterranean coast — a particu-larly promising new source,

apparently.
This year's Flying Wine-makers are just hosing down after making 100,000 cases of distinctively New World 1989s in the two southern French locations and two right on the fringes of the Bordeaux region, one technically Bordeaux and the other in the Dordogne encompassing both Bergerac and Montravel appellations.

Perhaps understandably, the geographical names to which there wings are entitled legally.

these wines are entitled legally are spelt out in relatively small print on the carefully designed bels. The wines tend to be sold under more impressionis-tic names: Les Grisettes for a Meriot rose; Bergerac Boise for a slightly scrawny, oak-ma-tured country claret; Cuvee de l'Alliance for a much more impressively round, fruity variation from Limoux. This is a concept to send shivers down the spine of the Appellation

Controlee authorities.

About £100,000 has been invested in their own portable equipment — notably, stainless steel tanks and miles of tubing (in the pristine state of which they can trust), plus an increasing quantity of fashionable small oak barrels. But perhaps their most notable investment has been in energy. Shaw's BMW has clocked up 30,000 kilometres in the past 10 weeks and the internal clocks of these passionate, or mad, wine-makers must be wrecked.

enough with the results of these cuckoos in the nest; the Flying Wine-makers' Berge Sec 1988 was garlanded at the important Macon Wine Fair, and one Australian-trained interloper working outside the Laithwaite scheme has been banned from a small Midi producer for refusing to share his

secrets with the locals.

The learning process is, without doubt, two-way. The Australians admit that it takes the French to show them how over- treating their wines, and to have the confidence to leave Chardonnay (in particular) in contact with the lees. And the Torres family run their two operations in such tandem that salaries in Chile are linked to those in Penedes.

So will all this import-export trade in wine-making talent continue? You bet. Paul Pon-tallier, of Chateau Margaux, has been making regular visits to Chile for years now while the fellow-first growth Chateau Lafite-Rothschild has paid the Chilean winery of Los Vascos the complimant of direct investment. And a sign of the times surely is that the largest Australian wine producer, Pen-folds, has crossed Lafite's path geographically by investing in, and sending a wine-maker to, California's Geyser Peak win-

Shaw, meanwhile, is talking about a foray into eastarn Europe, although the immi-nent first crop expected by his wife — who has until now been happy to decamp to France for up to four months a year - could eventually clip his

SOME RECOMMENDED TRANS-HEMISPHERE WINES 7 Torres Don Miguel Riesling 1987, about £4.60 from Premier Wine Warehouse, London SW10; Peter Dominic, Strand, London WC2; The Celtic Vint-ner of Swansea; and Peter Green of Edinburgh. Dry, steely stuff like a mature, full-bodied Alsace — mature because so few people are clever enough to buy Riesling

nowadays. Torres Cabernet Sauvignon Rosado 1989, about £4, is good as a rosé for food and the forres Bellaterra 1988, about £5.50, is perfect for those who prefer traditional warts-andall oaky white Riojas like

Marques de Murrieta.

I Flying Wine-maker products are available from Bordeaux Direct of Reading (dozen bottle orders minimum — tel. 0734 471144). Syrah Plus (£4.50) and Cabernet Sanvignon Plus (£4.10) are both 1988 Vins de Pays de la Hante Vallee de Pays de la Haute Vallee de l'Aude and are confidently fruity, fleshy versions of the grapes of the North Rhone and

Montravel oak-aged Semi Hon-Sauvignon 1988 (£5.45) has been given almost a white burgandy structure with lots of fruit and a rich, still quite oaky nose. One to keep.

Domaine Caperana Sauvignon Blanc 1989 Chile (£4.10) is perhaps the best of the lot (rather than grass) flavours. It managed to impress both a top California wine man and a very picky New Zealander

recently.

Croser Methode Traditionelle sparkling wine 1986 (£12.50), from Les Amis du Vin, 51 Chiltern Street, Lon-don WI. An extremely respectable rival to grande marque champagne made by Brian Croser — not in Oregon but with the help of grande marque Bollinger at Petaluma, South Australia.

Cookery

A E G A N T U A N orange and tawny gold pumpkins filled the greengrocer's The pumpkin-eaters

to contain the stew safely, and it should be a good, pot beilied, casserole shape. Ideally, it should be brilliantly coloured to, with harvest suppers and hallowe'en feasts proving the most popular occasions for serving them. Lantern carvers and have a handsomely ridged formed a major part of the queue. Only one fellow-pur-chaser told me that her pump-kin was destined to do double top with enough stalk to simulate a hid with a handle. Be sure to excavate the flesh from the shell carefully and keep an duty in the kitchen. Her plan was to excavate the flesh to make a soup and then use the eye on the "pot" as it cooks. If the walls of the shell are thin and weak in places, or if the meat is so tough that pro-longed cooking is called for, the pumpkin could begin to lose its shape and split. shell as a soup tureen. The soup would be partnered with

My own massive pumpkin is also intended for use as an ingredient and as a serving dish — and I shall use it as a If you are nervous about the idea of using the pumpkin as a cooking pot; or if the stew is to cooking pot, too, in a repeat performance of a dish which be served as a picnic lunch for the guns, obviously you can cook the stew in a convenreceived a warm welcome from my family when I made it last autumn. Mildly spiced, easy to eat with a fork, and dramatic looking in its flaming orange to the pumpkin shell for serv-ing. Do remember, though, to warm the pumpkin shell before filling it with the stew or the food will be tepid instead of pot, it appeals in particular to outdoor appetites keened by the cold. I recommend it for piping hot when served, Served with flageolet beans and potatoes, rice or ribbon noodles, the quantities given supper on bonfire night and as a shooting hunch dish. STUFFED & SPICED PUMPKIN STEW You will need a pumpkin that weighs a minimum of 91b. It must stand steady in order

here should serve 8 people gen-INGREDIENTS: One pump-kin weighing 9-11 lb; 2 lb neck



fillet of lamb (trimmed weight): 1 Th onions: 2 crisu and not too sweet dessert and not too sweet dessert apples; 1 lh 2 oz can plum tomatoes; a little oil for the marinade: 4-5 finely chopped garlic cloves; 2 tablespoons finely chopped green ginger; 1 teaspoon chilli powder (or considerably more if you want a "hot" and spicy stew); 2 heaped tablespoons cumin seed and 2 scant tablespoons coriander seeds toasted until warm and aromatic; the seeds from 8 cardamom pods; the juice of balf a lemon. Cut the lamb into chunks and put it into a bowl Crush

kle them over the meat. Add the chilli, garlic, ginger and the chilli, garlic, ginger and lemon juice and pleuty of coarsely ground black pepper. Toss to mix, cover and leave in a cool place overnight so the meat soaks up the flavours.

Next day, chop the onions and soften them well in a little cil in a large sauté nay. While oil in a large sauté pan. While the onions cook, scrape most of the spices from the meat,

reserve the spices and dry the meat with kitchen paper tow-els. When the onions are well softened, remove them from the pan. Sear the lamb, in batches. Return the onions to the pan. Add tha marinade spices and cook, stirring, for a minute or so until deliciously aromatic. Add some salt and the roughly chopped tomatoes (but not their juices which can be saved for stocks, soups or drinks) and bring to simmering point. Cover and leave to cook very gently on top of the stove

for 45 minutes or so.

Meanwhile, prepare the pumpkin. Cut a lid from the top and scoop out and discard the seeds and woolly fibres. Excavate with a spoon to extract only 1 lb of flesh. Take it carefully from all round to

leave firm, even walls of flesh in the shell. Cube the flesh and reserve it. Season the inside of the pumpkin with salt and per-per, smear the skin with oil and sit it in a baking dish. Warm the pumpkin shell by baking it in a party betted to baking it in an oven heated to 375 F (190 C) gas mark 5 for 25-30 minutes. Check the con-tents of the saute pan for sea-soning. (This is a good point at which to add extra chilli to taste. Dissolve it in a few spoonfuls of the hot stew liq-

uid, then stir it into the rest). uid, then stir it into the rest).

Ladle the stew into the warmed pumpkin shell, adding the reserved cubes of pumpkin flesh here and there. Cover with the pumpkin lid and bake at 375F (190C) gas mark 5 for 45 minutes. Add the apple, peeled and cut into cubes, stirring it gently into the stew. Replace the lid and continue cooking in the oven for a further 30-45 the oven for a further 30-45 minutes. By the end of this time, the ingredients should be tender and the pumpkin "cooking pot" should retain bright colour and firm shape.

Ideally, the stew should be served straightaway but, if necessary, I have found that it will hold for about 20 minutes if the oven temperature is immediately reduced to 225 F (110F) gas mark 1/4. When serving the stew, scrape the inside walls of the pumpkin gently to add extra chunks of the flesh to each serving.

Philippa Davenport

Food for Thought

What's your poison?

the cumin, coriander and car-

damom to a powder and sprin-

no doubt like to be able to sue it for the shirt off its corporate back. But food hygiene is not an absolute like thet. We can only ask the grocer to do his

What Sainsbury and his colleagues had to say was that there is always a threat of contamination; that it is contained (mostly) by a battery of overall standards maintained consci-entiously; and that, ultimately, it is a matter of chance with very long odds in your favour. We do not like supermarkets to make such soothing noises to us unless they are based on

some new certainties. I wonder if our view is conditioned by the fact that, in a lot of cases, food poisoning is somebody's fault other than our own. Someone might tell me that the chances of getting listeriosis from cheese are rather less than my chances of being struck by lightning -but nobody else's negligence gets me struck by lightning and I, or my relatives, have no-one to blame.

Sainsbury told us that the level of salmonella contamination in his stores' fresh chickens is 11 per cent. "Why not 0 per cent?" someone asked. The reply was that 0 per cent could be achieved overnight - by irradiating the lot. Ha, but we won't have that, will we? Well, perhaps not. While another major supermarket chain, Tesco, has said a firm "No" to irradiation, Sainsbury's is more inclined to wait and see.

I think our chances of ever getting food which has been irradiated, but doesn't say so, to have lost our last source of unpasteurised Stilton in the wake of the listeria scare. Some people mind very much about this, partly because they were very fond of it and partly because its disappearance has been seen as evidence that, in a crisis, the Ministry of Agriculture might find it easier to take advice that hits the small, independent supplier rather than the combined might of agri-business.

It is deplored that the Ministry of Agriculture is also the Ministry of Food, although I doubt that, in peace-time, we need a Ministry of Food, anyway. In its absence, I suppose, food hygiene standards would be entirely a matter for the be entirely a matter for the Department of Health and Social Security. Would that be Meanwhile, I wonder what

the answers would have been if it had been George, the Armenian who runs my local corner shop, who had been there in Lord Samsbury's place. I think he would have waved his arms over his bead and said: "Open till 10 o'clock on Sunday night, what do you expect?"

Unfortunately, "healthy eating" is not a simple issue. It has become for many of us a quest for "natural" food with-out industrial or chemical additives. The problem with avoidiug chemicals, like preservatives, is that the food will not be preserved so well without them.

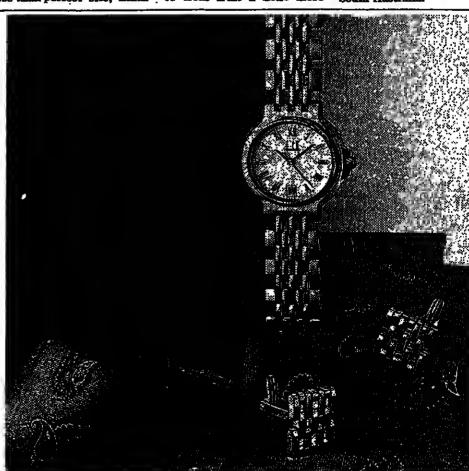
A supermarket might well

decide, for reasons other than bandwagon ones, that it wants to be "green," but what does this mean? In response to the BSE threat, Sainsbury's is removing the bit of spinal mar-row from all its lamb chops before they go on sale. Is this a before they go on sale. Is this a "green" move, though? And do you look after your customers' health better by selling them prepared dishes which may spoil if the chiller cabinet is over-loaded, or by selling them raw food which then runs the obstacle course of home cooking in a kitchen like mine? ing in a kitchen like mine?

There is a number of people for whom avoidance of certain foods or additives is a matter not of fad but of life and death. For them, the problem is not of hygiene but of labelling and knowing what ingredients

actually are there.I For many people, a whole spectrum of ingredients has to be avoided, and they are in the be avoided, and they are in the hands of the people who write the packaging. Sainsbury's is very good at this: it publishes guides to the labelling of its food and related issues. These are gamuinely informative and useful. "Who reads those, any-way?" asked one of my fellow way?" asked one of my fellow journalists. "We've got rid of 14 million so far," Sainsbury's

Peter Lewis



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HERITAGE

The trickle that could become a tidal wave

Antony Thorncroft on the loss of Britain's art works

here are worrying signs that the fragile framework which safegoards our national heritage and prevents a steady seepage abroad of our finest works of art is in danger

of cracking up.
Like the British Constitution, the safeguards are more conventions than realities. The annual government grant to the National Heritage Fund, the first line of defence, is deri-sory at just £3m, and the sec-ond barrier, the delaying power of the Committee on the Export of Works of Art, only offers a few months' grace for the Great and the Good to do their stuff and try to save treasures for the nation.

The loss this week to California of a William Blake note-

book of drawings highlights the size of the problem. Its price of £400,000 was quite beyond the reach of the British Library, which wanted it, and now it will be torn apart and its pages sold off to the highest hidders. The Heritage Fund would have liked to help but did not have the cash.

For many years, Lord Char-teris, chairman of the fund, was private secretary to the Queen, and the ways of the courtier – agreeable, charm-ing, optimistic – come natu-rally to him. But even he is having his good nature sorely tried by the Government's reluctance to provide adequate

funding.
"I'm full of faith that the Government will see us right," said Lord Charteris when introducing the annual report of the fund this week. But, for the first time he also talked the first time, he also talked about "painful decisions", and wondered out loud whether it matters if an important picture goes abroad: it still exists, while once an area of natural beauty is destroyed it cannot be recovered. It seems that, with the price of art at auction stuck at record levels, the fund will concentrate its limited resources on protecting the flora and the fauna of the country, also part of its brief, rather than chasing Gainsboroughs and Zoffanys.



Sportsman With Two Dogs, by Thomas Gainsborough

ough at almost £1m, securing It is paintings by these two these pictures, and the Ramsay, would absorb most of its artists, along with a Ramsay portrait, which are causing the fund most immediate concern. money. It also faces such momentous unresolved issues as the Mappa Mundi and Can-Paul Mellon is selling the Gainsborough, a portrait of Mr Dade and his pointers, and the Willoughby de Broke family ova's Three Graces from Wobova's Three Graces from Wob-urn, to say nothing of the con-stant smaller demands.

The fund has promised £2m towards the cost of the Mappa Mundi if the Dean and Chapter of Hereford Cathedral will play ball and give up their hare-brained scheme to sell it on the market. They are still proving the Zoffany, of some 18th cen-tury ancestors at breakfast, at Christie's on November 17, while the Ramsay has been

offered to a gallery under a private sale. Ideally, the fund would like to secure all three for the UK... but this looks market. They are still proving difficult, but Lord Charteris is "not totally without belief that By good management the fund has £6.5m in reserve and can be certain of another £3m grant on April 1,1990. But, with resources of just £9.5m to cover a satisfactory solution will be arrived at". The Three Graces constitutes a tougher chal-lenge. This neo-classical sculpthe next 18 months, it is ture was devised by Canova for already committed to giving f4.5m towards saving the 18th century gardens at Stowe. With the Zoffany estimated at over £2m, and the Gainsbor-Woburn around 1800, and a special Temple was commissloned by the Duke of Bedford

to show it off. The family now wants to sell

it to set up a trust for the chil-dren, and the Getty Museum at Malibn has offered £7.6m. For-tunately, the fact that it was designed into the fabric of the designed into the house of the house makes it part of a pro-tected building and therefore it should not be be dislodged (despite the fact that it is cur-rently at Christie's). So argues Mid-Bedfordehire Council, which the data is receiped a sixwhich to date is waging a single-handed battle to save this masterpiece. The fund will stay well clear of this one, which could become the heritage

could become the heritage issue of the decade.

Ideally, the fund would like the Government to raise purchasing grants for museums and galleries — frozen for five years — so that it can assume the role of a safety net rather than the central purchasing agency it has been forced to become. It is unlikely that these hopes will be realised, forcing to make ever more difficult decisions. It will probably let the Gainsborough go if a foreign buyer gets it at auction — it has been out of the UK for a few years and the country is not short of Gainsborough portraits. The Zoffany borough portraits. The Zoffany conversation piece is his finest work and worth battling for, but could fall victim to the

pancity of funds.

For on top of these pictures there is Brodsworth Hall, near Doncaster, a mid-Victorian time capsule, to save, not to mention the 200 smaller requests that come the way of the fund each year. It can help only around a third, It might only around a third. It might well be that in the future the fund will concentrate on paying out smaller sums, like the £8,900 to safeguard Landford Bog in Wiltshire; £25,000 to restore Cromford Mill in Landburgh the first factors in the cashire, the first factory in the UK; and £2,228 for Brighton West Pier — all payments approved in the last six months - rather than exhaust all its resources on yet another painting on a wall. Of course, it is possible that the new Environment Minister, Chris Patten, will give the fund a rise: but you would need all Lord Charteris's optimism to trust to that.

HERE IS no copyright on titles to exhibitions, but to have two major public galleries with offerings that all but coin-cide to the letter is unusual, if not careless. In the event, the shows are very different: "Degas: images of Women", at the Tate in Liverpool notil December 31 and reviewed by Susan Moore two weeks ago, is a study of a great artist's treat-ment of particular subject-matter. wonderfully varied yet wonderfully consistent. I men-tion it now only to point the difference:

"Images of Women", at the Leeds City Art Galleries (until January 7: sponsored by Ham-mond Suddards, Solicitors), is mond Suddards, Solicitors), is an anthology made by Corinne Miller, assistant keeper at Leeds, to show how women have been represented by artists through the ages. For generations, images of women based on preconceptions by men, have lined the walls of our public art galleries. Thus runs the foreword to the catalogue There is as they say logue. There is, as they say these days, a sub-text. We have been warned.

On the surface, the exhibition is extremely enjoyable, for Miss Miller has chosen some Miss Miller has chosen some beautiful and extraordinary things. Side hy side sit early works hy Henry Moore and Barhara Hepworth from around 1929, when the artists were still on close professional terms. And already the Moore reclining figure has an idealised, hieratic quality, that makes the Hepworth by contrast the more intimate and personal. Under the same heading, Women and Power, comes Reynolds-Stevens' lifesize bronze allegory of Ellzabeth I and Philip of Spain at chess, "A Royal Game" (c.1911), a strange and splendid piece: she is arrogantly sidesaddle at the table, he is more thoughtful, even worried.

even worried. Woman as Artist and & Muse has fine self-portraits; of Mary Beale (1666), self-confident within the rich pictorial conventions of the time: of Artemesia Gentileschi: of Angelika Kauffmann (c1794), caught between the muses: and of the enchanting Elizabeth Vigée le Brun (c1782), consciously inviting comparison with Rubens' "Chapeau de Paille". Woman & Child includes a tiny Bonnard, of



Testing Valves, by Arthur McCormick : from Women at flome and World

EXHIBITION The second sex

William Packer looks at Images of Women

grandmother and grandchild, a Bellini Madonna, and an equivocal Spencer portrait of his first wife, Hilda, with their daughter Unity and her dolls.

Woman at Home and at Work includes a bed-sitter interior hy Harold Gilman, and several fine war-time commis-sions: Wrens testing valves by Arthur McCormick and mend-Arthur McCormick and mending salls by Stanhope Forbes from the First World War, a Hurricane assembly plant by Elsie Hewland, and Laura Knight's portrait of Corporal Pearson, GC, WAAF, from the Second in the Garden of Rden contains images of courtship – Arthur Hughes, Alma-Tadema and Hugh Riviere - and of sexual promise or encounter — Gaudier-Brzeska, Jan van Sco-rel, Eric Gill with his garden roller, With Woman and Man

we come at last to the age old, inevitable confrontation of the

political npheaval with the statement that for women, the French Revolution "did not lead to greater freedom; but less". "A new and very limited definition of women was invented," she continues. "Women were to be exclusively domestic bodies; housewives and, above all, mothers. The division of the sexes, which today we inherit, was formulated as a quite new idea in the late 18th century. Men were to

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sexes, with its promises and possibilities, frustrations and misunderstandings.

So far so good. The material is rich enough, and its discreetly pointed presentation in a fresh light is no bad thing. But the feminist reading of art history cannot leave it at that. In her essay in the catalogue, Griselda Pollock, of Leeds University, writes off that most complex period of social and political npheaval with the She looks at the Vigée self-portrait and sees "an immensely successful painter working for the Queen. Yet she presents herself as an artist in a way that completely contradicts the woman artist whom we know worked hard and regularly. Instead we see a spectacle of femininity, a woman offering herself up to be looked at ... Yet it is her exceptional skill as an artist which ... has taken on the impossibly difficult shadow first used by Rubens. The painting is an ambitious painterly challenge to one of the erly challenge to one of the great masters triumphantly carried off. Self-exploitation or brilliant challenge? How difficult it must be for Miss Pollock to know what she thinks.

NE OR another sector of the art market often pulls away from the rest and its rating may become enhanced permanently. Yet the old value-relationships are apt to get re-established eventually. Old Impressionist and Modern paintings over the 1986-88 period but, to no one's sur-

for a Pontormo portrait in if these remorselessly-peering May, Old Masters of compara-ble standing should fetch as much. Premiums paid for outstanding paintings over the merely first class may well increase, but there will be a ratchet effect on the whole carlo Doici and Cesare Dantines of this period, such as Carlo Doici and Cesare Dantines of this period, such as Carlo Doici and Cesare Dantines of this period, such as Carlo Doici and Cesare Dantines of this period, such as Carlo Doici and Cesare Dantines of this period, such as Carlo Doici and Cesare Dantines of this period, such as Carlo Doici and Cesare Dantines of this period, such as Carlo Doici and Cesare Dantines of the control of the c



Saint Lucy, by Sigismondo

ations going on in the main-With that in mind I "bid" up to £10,000 at Christie's on October 27 for a painting of Saint Lucy by Sigismondo Coc-capani (1583-1642), a 17th century Florentine painter who has moved into the limelight. At 25,000 to £7,000, the estimate was low, partly because the painting had some dam-age, but mainly because the unfortunate Lucy had her eyes put out in about AD 304 and we are shown the eyeballs on a tazza at the foot of the picture. Heavy religious subjects— flageliation, crucifixion and deposition scenes, for example

can be hard to sell unless by an important artist. Saints can also having sell-ing problems and be difficult ing on how they met their end.

COLLECTING Saints for sale

> Robin Duthy makes some fictional purchases

period but, to no one's sur-prise, prices are now moving up fast.

That does not only mean that because £22m was paid naked breasts or pudenda. So, eyes bother me, I shall have them overpuinted with burn-ing coals to symbolise one of the terments God helped Lucy

> dini, are unacceptably sweet to many collectors and that is why Coccapani is a welcome rediscovery, especially to the Italians. His painting of Saint Sebastian, even though it had the feel of a deathbed scene, was the highlight of a recent sale in Rome where it would sale in Rome, where it made

> At Sotheby's in New York on October 18, I "bought" for £182,000 a Sin x 13in Winslow Homer watercolour painted at Gloucester, Maine, of a yacht in a cove. It had belonged to John Dorrance Jur, the Camp-bell's Soup king, whose collec-tion of Old Masters will be

auctioned in January.

Along with Thomas Eakins,
Homer is ranked the greatest of American artists. He took np painting while drawing Illustrations of the Civil War for Harper's Weekly. Apart from providing training in the observation of detail, the war gave him an experience of of mortality which he put to use in a number of inherently tragic subjects — often osing an animal's struggle

to survive as his metaphor.
He is a true exponent of that realism that threads its way through American painting from the early portraits through the Hudson River School, the Ash Can School and even to the psychological realism of the New York School.

The present watercolour dates from 1880, when Honser spent a second summer at Gloneaster and full command of the medium.



Adam and Eve: one of

able to produce a subtle, yet sparkling, account of this idyl-

Prices for Homer's watercolours are up by 700 per cent over the last 10 years; 10 were sold last year for between £18,000 and £340,000. Homer is among the bluest of blue chip investments and a 10 to 15 per cent growth rate is well within

At Sotheby's Continental Ceramics sale on October 17, I "hought" for £8,500 a set of four Castelli plaques of about 1740, painted with semes from the Book of Genesis – the cre-ation of Adam, the formation of Eve, Adam and Eve at the tree of knowledge and the ban-

ishment from Eden. The painting is by a member of the Grue family in a delightful 18th century version of a medieval style in which God appears far too benign to have punished his creatures in the way the Bible claims.

of wares that began with the mich admired matolica made at Urbino in the 1520-50 period. Until recently they period. Until recently they were dismissed as too late, but prices have been rising by at least 30 per cent'a year over the last five years and could have have some way to go.

At Sotheby's furniture sale on November 10, I shall be "tidding" up to £3,000 for a pine pedestal, of about 1740, carved with oak-leaves, acanthus and a lion mask.

This example still has its original paintwork.

original paintwork.
It is not a classic investment ece, but one for which mand will always be strong.

Robin Duthy

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HE HONEYMOON is over on the South Bank, When the new management moved in three years ago, replacing the populist GLC as creative landlord, it was perfectly selected to disarm the critics.

There was Nicholas Snowman fresh from Paris, with ideas for imaginative musical festivals to pep up London's stale orchestral diet; there was Richard Palford, a bright approachable reformer on the business. ss side; while the active chairman Romie Grierson seemed to know everybody and to have the gift of charming money from both the state and commercial sponsors.

Now the situation is not so happy. Audiences at the flagship happy. Audiences at the flagship Festival Hall were down 3 per cent last season to 66 per cent of capacity and the South Bank Centre, which encompasses the three concert halls and the Hayward Gallery, is wrestling with a firm deficit. Concerts and exhibitions are being quietly cancelled and some of the bold plans abandoned in the face of financial stringency.

plans abandoned in the face of financial stringency.

The sad, inescapable fact is that London's concert going audience is too conservative for commendable initiatives like last season's extended Schoenberg season and the music of Latin America. Such experimentation might have been economically sustainable in a well funded year, but the South Bank was struggling with an increase in grant of less than 2 per cent (to £11m) while some costs, such as the

The South Bank honeymoon is over

Concert goers are just too conservative, says Antony Thorncroft sadly

bills for advertising and printing, were rising by 15 per cent or more. It only needed a messy row with the staff over a wage claim for the mockers to mount an attack on the

new regime.

It shows the critics in a bad light.

For years they have complained about the predictability of music in London. Now that it is being spiced nn, they tear into a beleaguered nn, they tear into a beleaguered South Bank. Perhaps Snowman et al are naive in their idealism, but there is something brave about such enterprises as the current Ligeti season. Predictably, attendances are below forecast, and one concert has been cancelled, but only by playing the works can an audience.

playing the works can an audience be created for contemporary music. The South Bank hopes to make up its missing million by boosting revenue by £500,000, mainly through sponsorship and commer-cial activities in its shops and restaurants, and by cutting costs by the same amount, through such mundane savings as on mainte-nance (the windows will be washed less frequently) and advertising. But it is still taking risks, and the Maxwell Davies festival planned for

The problem for Grierson and his team is that they are prisoners of their Halls. Only about 15 per cent of the concerts are their own promotions and in the main they depend on hall rentals and 15 per cent of the box office, plus the expenditure of audiences at shops,



when they try and enliven the programme the result is often a box office disaster. A Veuezuelan orchestra last season played to a 10 per cent andience and cost the



little better. Even the heavily promoted festivals can be disappointing. In the event the Schoenberg played to 32,000 people and was only 1 per cent under target: it was the French season which made a bigger hole in



They are loathe to increase the rentals for the leading London orchestras, their main clients, and

Festival at the Elizabeth Hall did which accounted for half the deficit, were due to poor planning; the decision to stage Elektra on two nights with an RPO concert in between involved the South Bank in quite unnecessary stage setting and

> Not surprisingly the South Bank prefers to look forward to a brighter future. By the end of November it should have selected one or two orchestras in residence. There were only two applicants for the job, the London Philharmonic and the Phil-harmonia, who happen to be the main users of the Festival Hall.

> A joint residency seems the obvi-ous solution. The orchestras gain no great financial benefits but will have more rehearsal time (costing the South Bank £500,000 a year in dark nights) and by 1991-92 should provide between them eighty odd better rehearsed, more imaginative concerts, built around a festival devoted to post-War avante garde music, conducted by Boulez and Pollini.

In the intervening season, 1990-91, the South Bank should have a smoother ride with its concentration on Mozart. More repeat con-certs will also save money. By this ping mall with music.

time too some of the commercial changes will be producing extra income, notably the Festival Club, a suite in which sponsors can enter-tain clients (to be financed by a £800,000 gift), and the refurbished restaurant. South Bank Enterprished, a recently designed subsidiary formed to exploit the Halls' attraction to conference organisers and other ancillary sources of revenue, should also be on stream. In all the Sonth Bank is looking for £1.1m from sponsors this season.

Also by 1991, work will have started on the renovation of the South Bank, which involves the covering over of the area between the Halls and the creation of a piazza stocked with shops, restaurants, etc. The humanising of the complex will close the smaller halls for a year, but by 1994 the South Bank should look much better and be in a stronger financial state thanks to the commercial rub-of from the development. from the development.

Unlike other arts organisations the South Bank has chosen not to whinge in public. Perhaps it has not resolved the conflicting tensions between Snowman's commitment to adventurous programming and Grierson's faith in business friends. A coherent philosophy has yet to emerge: but tension can be creative and the South Bank could still pull through as London's leading cultural centre rather than as a shop-

A hot shot let loose on the town

Martin Hoyle on a winning play from the US

The Mobil Playwriting whether the townsfolk will competition has thrown up exciting work in the past through its collaboration with Manchester's Royal Exchange Theatre in Winding the Ball, a "special prizewinner", they have happened on a pippin of a play, a black comedy that effortlessly mixes the hilarious with the horrific, and has us laughing as innocent people laughing as innocent people are gunned down by that frightening American — and,

of late, European — phenome-non, the besark sniper.

Alex Finlayson lives in Rich-lands, Virginia, and the stormy All Saints Day she chronicles is steeped in small-town Appalachia. Mike Taylor's design lays onf the Co-Op Farm Bureau, or general store, before us in beautiful detail (director Greg Hersov carefully researched place and people in Richlands, Itself, though

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and Alpha Bits, Golden Gra-hams, Nik Naks and Smurf Magic Berries. Slow-witted Claude, a tacitum but succinct giant, is piling np sacks of meal (he knows a barricade must be built for some reason) to the distress of the new manageress, whose instructions he ignores. Over the till presides the thin-lipped Bible quoting Leona, the sort of cashler who firmly exclaims "I don't touch money" (a rather British approach to commerce, this), and "I go by the law of Jehovah" — which may, as her ner-vous employer points out, con-travene the odd federal race

as it transpires that the store's stock of ammunition is gone. Meanwhile, the manageress, Jannie, brightly flounders into a muddle which, we realise, reflects her unsatisfactory marriage to the local football coach who moves on every two years once he has turned the team into winners, and who has now vanished. "This is the edge of the world," the Catholic Minis-ter warns her. They are about to fall off.

The final push comes when the volley of shots from upstairs is identified not as upstairs is identified not as dumb Claude shooting pigeons but, handyman Deemer observes with cheerful interest, as a killer mowing down the citizenry: "He got him a cop," he notes with giee.

Tragic events do not necessarily turn events and not necessarily turn events not become

law.

Overnight, the glass door has been smashed in, Hallowe'en mischief that alarms

Tragic events do not necessarily turn everyone into tragedians. In every cataclysm there will be the foolish, the happily

One suspects Ms Finlayson ing. Life's mixture of terror and triviality is marvellously illustrated by the deaf bread has crammed too much into the play: the paradox of a soci-ety with both "Christian family man's delivery. Cheerily oblivi-ous, he leaves his consignment skating night" at the rink every Friday and such collect-ables as a limited edition of "12 and, despite the assembled historic guns that made this country great" (Robb polishes off his victims with his John Wayne Memorial model downcompany's warning shricks, bustles back into the street where a shot suggests he has No prizes for guessing who has flipped his lid. Act 1 ends with the grinning football coach, rifle in hand, confronting his wife and the others. Act wayte memorial motes worky stairs and an Audie Murphy number upstairs); a Cambridge ("England, Europe") educated African priest; the Filipino pro-fessional classes prepared to bury themselves in cultural ing his wife and the others. Act 2 is more conventional, the isolation for a good, if empty, living. And the psychology of long littleness of their life painfully unwound, emphasised by the central pair's slightly strained playing. Lisa Eichhorn's pallid Jannie is fully stretched vocally and emotionally, and David Scho-field, however intelligent, sim-

crack-up, the depersonalisation of mass-killing: "They're not dead," says Robb reassuringly; and later, "they're not people, they're pieces." Like pigeons, shapes against the light. ply looks wrong as an American football coach. But the writing is splendidly



Trevor Cooper, Marcus Eyre and David Schofield in Winding the Ball

issured, with wit and perception that bespeak a major talent. Even symbolism — that Achilles heel of much American drama — packs a powerful punch in the box rat-trap that lures the rodents in with a cheesey substance but prevents their escape until "their guts explode." These trapped

characters explode impeccably in Mr Hersov's brilliant production. The opening twang of Marcus Eyre's cop inspires confidence (as the opening accents of the National's Ma Rainey do not), gloriously justified by Roberta Taylor's primly disapproving Leona, all towering lacquered hair-do,

ROM November 25.
Radio Times will revert towards its old layout, with the day's programmes for all the radio stations together for comparison, one double spread for each day of the week. Omnivorous pinnters must still look elsewhere for television. Changes where for television. Changes in Radio 4 evenings, too: Monday to Thursday, Financial World is now at 9.15. The World Tonight at 10,00, Book at Bedtime at the more likely bedtime of 10.45. On Friday, Letter from America at 9.45, and a new Financial Week at 11.25. This was a rich week for drama, but I must first pay my occasional tribute to Radio 1, which has been doing Drug Alert again since Wednesday,

Radio Dramatic riches

including a live programme of directed. Not my style. The first play I heard, The Song of Lawino (Radio 3, Satur-day), was adapted from a Ugandan poem by Okot p'Bitek tall-ing of an Acoli woman's distress at her husband's becoming Europeanised. The production is by Reduta Deux, a New York women's multi-racial company. Short sentences are spoken, sung solo or in chorus. Valeria Vasilevski

marked the start of their Globe Theatre season, which they share with the World Service. It was Mod for the Love of Old Balconies by Mario Vargas Llosa, translated by Evelyn Fishburn and Bernard Krichefski - a sensitive, moving tale. We begin with Professor Brunelli (Frank Middlemass) standing on an old balcony in Lima, Peru, with a rope round

his neck, and a drunk shouting at him. Brunelli runs a crusade to save the centuries old belco-nies of Lima from destruction by modern builders like

Cánepa.
His daughter Heans, who helps in his crusade, is courted by Cánepa's son Diego, who joins their protest in spite of his father's modernity. But when they marry, Ileana tells her father that she didn't care for the crusade, and loves Diego less than a former lover whom Brunelli saw off because he stood for the destruction of all Spanish colonialist work. Back to the opening scene: Brunelli hangs himself, but his beloved balcony lets him down. He survives, and goes off with

to collect the ruins. The World Service, apart from its contributions to the Globe Theatre, also offers its listeners their exclusive drama from time to time. Its latest is Richard Nelson's *Principia* Scriptoriae, the story of two young literary revolutionaries in a South American jail.

the drunk to get wheelbarrows

Their contrasted conversa-tion, punctuated by the worst kind of practical local politics, is as instructive as it is excitis as instructive as it is excit-ing. Anton Lesser played the rowdy American, Sean Baker the intellectual South Ameri-can, and Gordon House

Back to Radio 3, with Tuesday's From a Second Home in Picardy by David Cregan. This is a ragout of letters home from a novelist to his family, his mistress and his agent. Varied astringent sances are Varied astringent sances are added by the recipients and the subject-matter. In Picardy, the emotions of the moment depend on the state of the writer's unreliable car, which affects all the villagers somehow or other and absorbs his family's savings.

B.A. Young

King Street, St James's, Landon SWIY 8QS. Tel: \$1.538 7888 (24hrs) Teles: \$16711

n Gerald McKnight's biogm Gerant McKnight's blog-raphy of Andrew Lloyd Webber, published in 1984, Derek Jewell, the late Sunday Times jazz critic, renounces London theatre crit-ics for not knowing "the first thing about music."

thing about music."
Lloyd Webber, whose work
he championed to the point of was not getting a fair deal. The battle widens in a new

study, Andrew Lloyd Webber, by Michael Walsh (Viking, 240 pages, £20). Walsh is the music critic of Time magazine, an American with impressive credentials (he won the Arlington Symphony piano competition in 1967 and graduated from the Eastman School of Music at the University of Rochester in 1971). He declares that the subtext of his book is "the inabil-ity of theatre critics to come to grips with the nature of mod-ern musical theatre." Deliclously, and with his own new brand of proprietorial resent-ment, he derides Derek Jewell

as much as anyone.

But Walsh is soft on the other British critics, allowing his well-organised and analytical pages on the scores to make the just point that even musically literate drama critics seldom get stuck into the fine detail. His wrathful contempt is reserved for his New York counterparts, especially Frank Rich on the New York Times and Clive Barnes on the New York Post, and formerly of the Times

He argues convincingly that, in the case of Rich, a nostalgia for the great Broadway musicals, and a xenophobic fury about Lloyd Webber's New York York invasion, have inured him to any acknowledgement that musical taste and technology have moved on.

The good thing about the book, which is well-written and

handsomely produced, with 72 large pages of colour photo-

BOOK REVIEW High flying adored...

Michael Coveney on a new look at Andrew Lloyd Webber

to his critical responsibilities. He is toughest on Cats and Starlight Express, unyielding on the problematical conclusion of Aspects of Love and insistent that both Evita and the Requiem have been under-rated and misunderstood.

rated and misunderstood.

The vexed issue of plagiarism, an accusation often levelled at Lloyd Webber with no
particular evideuce, is well
fielded. The most startling
thing about Lloyd Webber's
activity is the extent to which
a sort of creative miscribers
means that like Reethouse means that, like Beethoven and Rossini, he steals most often from himself.

Yon flinch a little when Walsh avers that the most important opera composers of today are Philip Glass, John Adams, Stephen Sondheim and Lloyd Wabber. But his book supports the contention that his talent is at the very least complex and interesting. his style "a semi-conscious agginti-nation of rock, show music and classical influences".

Ligeti and Penderecki are

Pick of the Week

detected in the atonal setting of the Seven Last Words in Jesus Christ, Superstar. The presence of Prokofiev and Puc-cini is consistently pinned down. The "Pie Jesn" in the Requiem uses two boy sopra-nos combined in thirds, as Mozart combined the two sisters in Cosi fan tutte. And Che's "High Flying Adored" in Evita is "a gentle F-majortune in 4/4 with a fine lyrical bent and a Schnbert-like strophic structure, distinguished by a sharm mediation to D. major

structure, distinguished by a sharp modulation to D-major when Evita takes the verse."

You may protest that these are but simple comments of the sort you would expect to find on any self-respecting record sleeve. But Lloyd Webber has not even had proper sleeve-notes before: it is either Derek Jewell-type gush, or Derek Jewell-type gush, or intemperate, unsubstantiated dismissal.

Walsh really knuckles down to the work itself, and his chapters on *Evita*, whose whole score is distinguished by abruptly shifting metres, Latin forms and parodistic dance numbers, and on *The Phantom*

of the Opera, "his best work so far," incorporating one of every artist's "periodic quantum leaps," are both riveting and timely.

The analysis is stitched into a smartly recounted biography from which the subject emerges as testy, determined, cunning, ruthless and obsessive. Trevor Nunn. Harold Prince and Tim Rice are all kept on various tenterhooks. Rice's story is equally well told, as indeed is the emer-gence of the Really Useful Company on to the public mar-ket in 1986. By this time Lloyd Wabber was carring \$12m Webber was earning \$12m (£7.5m) a year, owned property in London's Eaton Square, Hampshire, the South of France and New York, and had acquired both a private jet and the Duchess of Windsor's jewels.

Walsh is not fastidious in documenting either the mate-rial success or the romantic entanglement with Sarah Brightman that finished the first marriage to Sarah Norris. But for once this information jostles alongside more penetrative tithits such as the clear identification of the composer's preferred "important" key being D-flat major, and "Love Changes Everything" being the first three-chord song in the

RE1 (THREAT BF4+ AND Rxd1 mate) 2 Qh5 (if 2 c3 Bf4+ 3 Kc2 Qf2+ White loses a 3 Kb1 Qxf1 and White reigned.





A blue and white Pronk Dame au Parasol coffee pot and cover, circa 1737. Estimate: £4,000-5,000

CHRISTIE'S THIS UNUSUAL COFFEE POT is painted after a design by the Dutch draughtsman Cornelis Pronk. The Dame au Parasol was one of several designs commissioned from Pronk by the Dutch East India Company between 1734 and 1737. These designs were not only applied to Chinese blue and white, famille rose and imari decorated wares made for export to the West, but samples were also ordered in blue and white Arita from the Japanese. This coffee pot will be included in the sale of Fine Chinese Export Porcelain and Works of Art at Christie's King Street on Monday, 30 October 1989 at 10.30 a.m. For further information on this and any other

sales in the next week, please telephone (01) 839 9060.

8 King Street, London SW1 85 Old Brompton Road, London SW7 164-166 Bath Street, Glasgow

A race to stiffen the sinews

Keith Wheatley on the latest leg in the Whitbread Round the World contest

COMPARED to the Urugusy-Fremantle leg of the Whitbread Round the World Race, the Paris-Dakar car rally takes place in e suburban back yard. Twenty-four yachts sail at noon today on a 7,650 mile neutical hobsleigh ride to Western Australia.

Turn e globe upside down and you will see that for most of the run the boats will be nearer to Antarctica than any inhabited source of help.

Bravado belps the crews cope with the fear. Some boast of surfing down waves taller than oak trees, of spinnakers not taken down for a fortnight. There is that. But the sailors who have been below 50 degrees south before speak ess and contemplate frozen beards, spray frozen like bullets and — above all — the berror of drifting ice.

These semi-submerged lumps of pure danger are called "growlers." They break off from bigger icebergs and lie just below the surface. On everage, e fully laden maxi-yacht weighs around 25 tons and travels downwind at close to 20 knots. Hit a growler" and the boat will sink quicker than it takes to send an SOS to the non-existant Sonth Pole Rescue

Service. No wonder the departure from Punte del Este will be a little more subdued than the carnival-like exit from the Solent on September 2. On that bright summer'e day the yachts headed west pursued by probably the largest hootin', hollerin' spectator fleet ever seen on British waters. The French post office even chartered a cross-Channel ferry to provide a grandstand for its entry, La Poste. Steinlager II, the glant red

ketch skippered by New Zealand sailor Peter Blake, led the fleet out past the Needles. Twenty five days and 20 hours later she was first into Punte del Este. It was a feultless performance, with barely a broken shackle, despite encountering the southern skirts of Hurricane

Hugo. Blake, sailing in his fifth

Whithread but not yet a winner, was faultless in his ronte-planning – aided by two Apple computers which weather data 24 hours e day. Steinlager consistently sailed

to the west of her opposition. "Our on-board computer routing programme suggested that we should head west once we passed Cape Finisterre and this tactic worked just fine," said Blake in an interview as the yacht crossed the Equator. "We ran into our own private calm off the Cape Verde islands, which slowed us for 12 hours, but we had a lot of luck in the Doldrums where the chasing boats never got closer than 60 miles. Blake and the other skippers

faced a crucial decision as to where to cross the dreaded calms. Satellite pictures were clear, but the weather systems

> Steinlager II gave a faultless performance

were moving up to 300 miles in 12 hours. Steinlager guessed right, unlike skipper Lawrie Smith at the helm of British favourite Rothmans.

Smith chose to sail east of the Cape Verde islands and cross the Doldrums closer to Africa. As he acknowledged later, it was the wrong choice and led to the longest few days of Smith'a life. While of Smith'a life, While
Rothmans' crew sat in steam
heat beneath slatting sails,
the Argos satellite position
system showed Steinlager, plus
Merit and Fisher & Peykel,
who finished the leg second
and third respectively, surging
ever further south and closer
to Uniquay.

to Uruguay. Rothmans may have been paying the price for a last-minute personnel dispute which left their highly-experienced navigator David Howlett sitting on full pay at home in Southampton. What caused their next mishap is less certain but it was no

Just four days from the finish e huge crack appeared in the deck of Rothmans. At over 10 knots the yacht sailed into e south Atlantic roller with no back to it. "The bows shot through the foaming crest, then just dropped a full 30ft to crash into the trough ," recalled Smith. The deck area was carbon composite designed to take loads of np to 180 tons. It sheared with a crack like a sneared with a crack like a
Royal Artillery salute. "With
the deck split we could feel
the crippled boat moving under
our feet like jelly," sald Smith.
Ironically, he did not know
that at around the same the

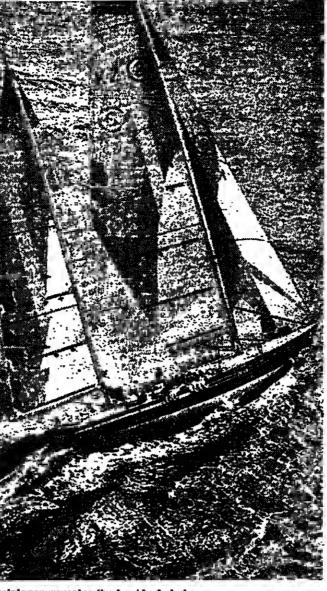
ketch he was racing to catch Fisher & Peykel lost her mizen-mast overboard in a catastrophic gear failure. Kiwi akipper Grant Dalton ordered radio silence and a news blackout lest other boats come hunting for his crippled yacht.

It was a tactic that would not work in the coming leg. Rear-Admiral Charles Williams, race director, has ordered that in view of the extreme risks in the Southern Ocean all competitors must radio in twice a day. Of course, given the premium on positional secrecy, some will

positional secrecy, some will not and that poses a question on how soon to panic.

Certainly very little could give quite the empty feeling to a sailor's stomach as did news of a fellow competitor's suicide in Uruguay. Russian sailor Alexei Gryshenko hanged himself just outside Punte del Este two days after arriving in a brilliant seventh arriving in a brilliant seventh

Fazisi, of which Gryshenko was co-skipper, was every saflor's favourite entry. No crew barbecue or dock party was complete without "the Ivans" and their passage down Southampton Water, en route to the start, was nothing less than triumphal. Britons with no more practical method available of supporting glasnost threw flowers and wine aboard, while Gryshenko and his crew toasted the well-wishers in Georgian



Steinlager: remains the bookies' choice

Their yacht's radical design caused a few raised eyebrows. Yet with an inexperienced crew and construction finished only hours before the start, Fazisi's performance on Leg I was little short of electric.

Gryshenko, whose wife gave birth to their first child while he was at sea, must have had secret worries

Since a totally unfair new handicap system appears to have eliminated the chance of a smaller yacht winning the Whitbread on corrected times, it is already apparent from the performances on Leg I that one of the big league maxis will lead into the Solent next

Steinlager remains the bookies' choice, with odds of 5/2. Then comes Merit, the

Swiss sloop skippered by the 85/86 Whitbread winner Plerre Fehlmann — or "Marty," as he is known to his rivals.

Rothmans and Fisher & Peykel are equally third-fancied with . odds of 9/2.

It is a sign of how close this race is going to be, yachts often in sight of each other after 3,000 miles at sea, that both the latter teams have beefed up their crews with additional Olympic-level amall boat helmsmen. Large transfer fees are being offered in some

With the total sponsorship of more than £50m riding on the race and a whiff of mortal peril thrown in, it is easy to see why nerves are a little stretched this weekend.

A voice for the ordinary fan

Philip Coggan looks at the effect of the Football Supporters Association

ETER GARRETT is one of the two main founders of the Football Supporters Association, launched four years ago after the accumulated effect of the Bradford and Heysel disasters made many feel it was time for fans to speak out. But what makes Garrett unusual as a denizen of the terraces is his full-time job as a policeman.

tic that they included cheques. The FSA was born.

There was, in fact, already a national organisation of fans to be loval to the live impact had been tiny by their nature official supporters clubs tend to be loval to the existing system of football administration.

The FSA is organised on a regional basis with 22

Garrett's employers, Mersey-side police, for whom he acts as a community liaison officer, as a community haison officer, appear happy to allow him to devote time to FSA affairs. And his fellow supporters, not renowned for their love affair with the force, do not appear to mind the presence of, as it were, a sheepdog in aheep's clothing.

clothing.
Indeed the other founder of the FSA, the articulate Rogan Taylor, is hardly an average football supporter. A former student journalist of the year and the holder of a doctorate in and the holder of a doctorate m oriental religion, Taylor met Garrett when standing on the terraces at Anfield. Both are fiercely loyal Liverpudlians with Garrett quick to point out that 50 per cent, of those charged after Heysel (when 39 supporters were killed at a supporters were killed at a match between Liverpool and Juventus) were not from the

Merseyside area.
But then the typical supporter is not the shavenheaded lager lout of popular headed lager lout of popular imagination. There are many like Garrett and Taylor whose fierce love of the game does not spill over into a desire to inflict pain and humiliation on rival fans. As Garrett says "the issues that divide football supporters rate into insignificance. porters pale into insignificance compared with the things that unite us". It was this belief, and the

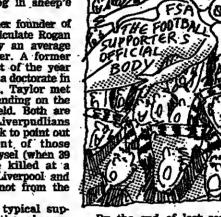
conviction that the voice of the fan needed to be heard if trage-dies such as Heysel were to be avoided, that prompted Gar-rett, Taylor and four others to write to the Guardian in August 1985, calling for the establishment of a "trade union of fans".

Within two weeks, the group had received 400 replies with some respondents so enthusias-

TELEVISION & RADIO

administration.

The FSA is organised on e regional basis with 22 branches, part of a deliberate attempt to encourage supporters of rival clubs to talk about common numbers together common problems together. Each branch must cover at st two League clubs.



By the end of last season, membership of the association had grown to 8,000, a total which pushes up to 20,000 if affiliate organisations are included. Membership is just £3 per year, a figure kept deliberately low so that people will not be discouraged from joining because of cost; the association is also given financial support by the players union, the PFA.

At the local level, the FSA tries to encourage clubs to listen to the views of fans about changes in ground layouts. The Merseyside branch of the FSA, for example, meets with Liverpool directors and recently advised them on the minor, but significant, decision on where to site new toilets at Anfield.

"Directors do a lot to support football," says Garrett "but

when it comes to things that directly concern supporters, they are not the people who stand on the terraces, they don't have to travel on alco-hol-free transport, or worry about leaving work early to get to evening games".

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At the national level, one demonstration of the group's campaigning abilities is the 400,000-signature petition which was presented to the House of Commons on Thursday in opposition to the government's identity card scheme. Garrett says that Colin Moyniban, the Minister for sport, refused to include an FSA representative on the working party that drew up

"We're not against a mem-bership scheme per se," says Garrett. "But our idea of mem-bership is totally different from the governments. They want supporters to pay more and suffer greater restrictions. Our idea is that if you are a mem-ber, you have rights".

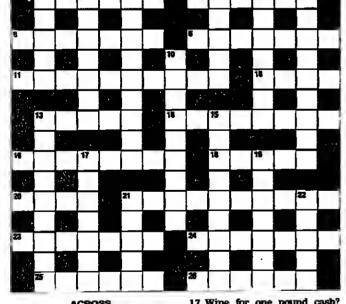
The ESA has also helped supporters mount campaigns on local issues, for example, it to ordinated the campaign in 1987 against the plan to merge the London clubs Fulham and Queen'a Park Rangers. The olan was eventually dropped by property company Marier Estates although the future of Fulham still looks uncertain.

Other campaigns which the FSA have backed have included the "Left on the Shelf" battle at Tottenham, when Spurs fans tried to pro-tect terraces from the encroachment of executive boxes (the result was a com-promise). And the FSA played a major part in the campaign to persuade the FA to allocate a larger proportion of Cnp Final tickets to the supporters of the two clubs involved.

It will be a long haul to "drag football into the 21st century" as Garrett describes it but one key element in the process is that the unloyed, undernourished British soccer supporter at last has a voice in the corridors of football power. . .

CROSSWORD

No. 7,075 Set by CINEPHILE Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday November 8, marked Crossword 7,075 on the envelope, to the Financial Times, Num-ber One Southwark Bridge, London SE1 9HL. Solution on Saturday November 11.



Iraq's unhappy mother (6)
 Line where needle points truly takes a lot of pains to

8 Father in wrath maybe is on this (7) 9 Guard from decay in setting

sgent, in short (7)

11 Not being charged for talking, right? (4,5)

12 Range of 8 student needing addition (4)

andition (4)

3 Cup as used in church by a girl? (5)

14 Don't eat what you eat from the microwave? (4,4)

16 Teacher finds English coin (4)

(gold) (8) 18 Unstable mountains? (5) 20 Fish with a tail piece (4) 21 Obvious hour to have conquered (10) 23 Cup as used in church by e

girl? (7)
24 Keep feet on ground when moving before a deal (7) 25 It's expedient to go often (6) 26 Earth swallows stream in front of car? (6)

DOWN 1 Street song on the way up

(5) 2 Flies to bathe at crazy rate something to euction (9)

5 Circular meesurement, right? (5) Less than fifty per cent, cer-tainly (3,4) 7 Rabbit gets round a police-man, start of horrible row

10 Artiste gets through first of

13 Doctor, doctor! Caught her outside – could be a fairy 15 Brick made of canvas? (9)

19 Vehicle with fine designed for safety? (7)
21, 22 Playwright with film eward, very angry, we hear

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215 Eggis 'n' Belos. 226 Thurdercats. 2:00
Going Livel 12:12 pm Weather. 12:10 Grandstand including 12:25 Jude (World Champlain)
Including 12:25 Jude (World Champlain)
Iron Newbury. 12:28 Bowle, (C15 Lift Indoor
Champlonships from Preston). 1:46 Racing
Iron Newbury. 1:39 Bowle, 2:16 Racing from
Newbury. 2:28 Railying (Mobil 1 Raily Chaflenge); 2:26 Rail Britain v New Zesland
Iron Leeds); 3:05 Football; 3:59 Raigby
Lesgue; 4:25 Finel Soone.
6:38 Newz. 5:18 London - Sport (Other
regions - Regional News and Sport). 2:13 Roil
Harris Cartoon Time. 2:20 The New! Edmorad
Saturday Roschow. 8:25 Bob's Full House.
7:26 Russ Abbot. 7:30 Hearts of Gold. 2:18 Al

BBC2

2500 see Open University, 2500 Animazion Now. 10:00 Films. "The Boy Friend" with Twiggy and Christopher Gable. 12:10 pm Entertainment USA. (Jonathan King visits Cinchnad, Ohio). 12:01 The Story of English Furniture. 1:10 Voices from the Doll's House. 1:20 The Shogun Inharitance. 2:30 Network East, 2:40 Animation Now. 2:00 Films. "The Ambushers" with Dean Martin. 4:40 Charpionship Bewis (action from the CIS UK Indoor Bowle Championship at Presion). 2:50 Replade. 7:25 Networker. 2:50 Dance International. 2:15 Saturday Wight Cities. 1:8:55 The Next House. 1:223 The Film Cities. Screenwier Garry Wilson Indroduces another tough United. 2:15 Film: The Lineagy with EN Wallach, Potent Keith and Fischerd Jasober. 1:30-1:225 am Indoor Bowle (Fightights of

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Shory. 929 Stim Gelliand's Civilisation (with con-vibutions from novellet Jack Kerousa, Van Horrison and Little Richard), 19618 Film: "Catholic Boys" starring Andrew McCarthy, gent Dillon and Donel Sutherland. 1125 Rapido, 1225-1226 om CIS Indoor Bowle Championswite from Preston.

BBC2

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4:05 Monder, She Wrote, \$60 ITV Onema:
Saracen, 1900 ITN News and Sport brilowed
by national weather. 10:15 Local weather
10:25 The Secret Policeman's Bigment Ball
11:35 Tour of Duty. 12:20 am Saturday Nigh
at the Movies, 1:90 Film; "Moment to
Moment" with John Travolta and Lity Tomin

S4C WALES

CHANNEL 4

S4C WALES

SATURDAY

Phild Cymru. 11:59 pm Film: "Pathy Days" with Eddie Carator and Charlotte Greenwood. 2:25 Rygbi (Lianetti v Seland Newydd). 4:39 Recing from Doncaster. 4:30 The Coeby Show. 7:30 Ar y Bocs. 7:39 Newyddion. 7:49 Noson Lawen. 8:45 Y Mees Chwarae. 8:35 Barbaroese Drwy'r Cysgodion. 8:55 Doodlin': Len Lys.

ANGLIA

12:36 pm Bakmun, 8:15 Who's The Sose? 8:56 You Must Be Jolding, 11:39 Seturday Night a Yer Movies, 12:39 Film: "Wackor" with Jos Don Baker and George Kennedy, 12:20 pes Saturday Wight at the Mortes, 2:10 The Life and Times of Grizzly Adems, 3:19 Film: "Down the Long Hills with Bruce Box-telline and Jack Elsan, 5:16 Bulkseys, 3:45 Who's the Board, 11:20 Saturday Night at the Hoovies, 12:20 Film: "McVicer" with Rigger Daltrey, Adam Faith and Cheryl Campbell.

CENTRAL 12:50 per The Fashion Show. 2:15 Film: "Cerry on Cruteing" with Eldney Jemes, Kenneth Williams, Kenneth Cornor, Ltz Freser and Office Laye. 11:26 Seturday Might at the Movies. 12:00 Prisoner: Cell Block H.

CHANNEL

12:00 pm Saturday Night at the Movies. 8:10 Criomagun (Gasko News from the Highlands and Islands). 11:00 Saturday Night at the Movies. 12:01 11:01 Saturday Night at the Movies 12:01 Table 11:01 Page 11:01 Adam Fath and Cheryl Campbell.

SCOTTISH

TYNE TEES

12:36 pm Saturday Night at the Movine. 2:10 Film: "Genevieve" with Dinah Sheridan and

John Grageon. 346 The Life and Times of Getzpy Adams, 11:20 Seturday Night at the Movies. 12:00 Film: "McVicor" with Roper Detrey, Adam Patity and Cheryl Campbell. YORKSHIRE

12:30 pm Who's the Bous?

RADIO 2

HABITO 2

BASE SET DEVICE JECODE. 2:00 Sounds of the 80s with Jimmy Tarbuck. 10:00 Sounds of the 80s with Jimmy Tarbuck. 10:00 Anne Robinson. 1:00 pm The News Huddlines. 1:20 Sport on 2, including Footbalf, Rugby Linkon, Tenda and Racing from Newbury. 2:00 Carama 2 with Charles Nove. 6:30 Brain of Sport. 2:00 The Press Gang. 7:30 Saturday Osia Night presents An Kallan Opent Evening' recorded at the Royal Feelival Hall, with the SSC Radio Orchestra. 12:05 sen Night Ovite, presented by Gave Gelly. 1:30 Patrick Lunt presents 'Nightride'. 3:50-4:50 A Little Night Nausle.

RADIO 3

7:00 em Morning Concert. 2:38 News. 2:38 BSC Philhermonic Orchestra, with Eliso Viv-seladors (plano); Gilhata (Overtura: Ruslan and Ludmille), Prokollev (Peno Concerto Ne S), Gilnia (Ornose from Act 3 of Pausian and Ludmiller). 9:38 Sattarday Review. 1:30 pm Ludmiller). 9:38 Sattarday Review. 1:30

his arrangements of please by Fatta, Heutler-ger, Biret and himself, 509 Jazz Report Requests, 505 Critics Forum.
635 Hungarian Cello Music played by Richard Lester with Sucen Tomes (plane), 7:15 Regret is No Part of My Plan (anthology of poems of arrivol and departure), 7:29 Roz-sini Operas: "I Signor Bruschino" and "La cambiate di netrimonio", recorded et this year's Softwetzingen Feetival, Claniuigi Gel-metti conducts dre South German Radio Sym-phony Crobestra in both, and the abgers include Alberto Rhadid, Vito Gobbi and Jan-tan Hall (Beanasin) Richard Cabonne talks

RADIO 4

Box. 1225 pre The News Celz, (a). 1226
Weather.
129 News. 1:19 Any Questions? 2:09 News;
Any Answers? 2:30 The Spectre of Ernie Pitte
(a) Flay by Jane Coles. 1:05 Sentine Scientist.
The story of Edward Pearson, e Victorian.
Cergyman who fallaffed eclenitite experiments. 4:00 News; Age to Age. 4:30 Science
Now. 5:00 News; Age to Age. 4:30 Science
Now. 5:00 Islanders. 2:25 Week Ending. 5:53
Shipping Forecast. 6:35 Weather. 6:40 Neets;
Sports round-up. 6:25 Citizens (omnibus edition) (s). 7:16 Ad Lib.
7:45 Saturday-Right Theatre (a). Sitter
Challice' by Christopher Jones. 5:15 Muscle in
Mind (s). 9:50 7:on to Ton (s). 8:30 Weather.
10:30 News. 15:15 Open Mind. 16:45 Father
Dear Father (s). 17:50 Lanin of the Rowers (s).
11:50 Arnold Brown and Company (s).
12:50-12:20 am News.

SUNDAY

Factor, \$230 pss Cartoon Time, \$240 Police 5, \$256 Local news and weether, \$100 TN News, followed by TTV national weather, \$100 TN News, followed by TTV national weather, \$110 The Walden false be the Prime Minister, Margaret Thatcher, 259 McCloud, 258 Bullsayer, \$257 The Match: Liverpool v Totherherr Holspur, \$25 Sunday Sunday, \$250 TN News, \$101 word by TTV national weather, \$255 Local news and weather, \$450 TIN News, \$105 Chee to Hume, 7345 The Ruth Rendell Mysterles, \$250 TN News, \$250 Local Weather, \$300 London's Burlang, \$1505 False & Pace, 1925 The South Bank Show, \$250 Chee South Show, \$250 Chee South Show and \$250 Chee South Sank Show and \$250 Chee South Show \$250 Chee South Sank Show \$250 Chee South Sa

BORDER

CENTRAL

72:39 pm Reflections, 12:35 Lee Françaie Chezvous, 12:30 Cyril Fletcher's TV Clardon, 255 Whiteread Round Ste World Yacht Rec. 11:38 Sosp. 12:56 see Film of the Besic "The Roman Spring of Mrs Stone."

CHANNEL

10:85 am Robustory, 11:18 Sunday Service from Bigger Nirk, Bigger*, 11:18 Unit, 12:30 pm Landmark, 2:09 Feature Fifm, "Doctor in Trouble" eters Lealte Phillipe, Herry Seconde, Simon Dee and Insto Hand, 2:38 International Swimming from Oundee, 4:30 The World of Golf, 8:00 Scotsport, 8:00 Buil-boys 11:35 Prisoner; Cell Block H, 12:38 am

GRANADA .

HTY

SCOTTISH

18:45 km Cleo Michael's Cartoon Cavelcade. 11:15 Link, 11:30 Grann Taca. 12:30 per Scot-tish Supplement. 2:00 Landmert. 2:30 The Sunday Film: "Airport 75", 4:38 Builtaye.

James Stewart is the lensmar in Rear Window, C4, 9.05pm 8:58 Scotsport, 6:68 The Blue and the Green 11:30 Maxicol, 112:38 on The Sunday Filck "Three Cases of Nurder."

12:30 per Straight-Tell, 2:35 Landmerk, 5:35 Coronation Street (orphibus edition), 11:35 Inner Space, 12:35 pm Jerustiam - "City of

ULSTER YORKSHIRE

Songs. Elly Ameling (sogramo) and Ruder's desired (pismo): Debutsy (Chansons de Biblis; Trots pooms de Stephun Mallarme), Ruseare (Sarabande; Light; Flenmes; Reponse d'une aposite sage; Juzz dans in mult), Ravel (Cinq melodies populaires precues; Tripation): Zels Schumann and Besthoven played by John Blingham (pilano); Schuhann (Maldacamen): and Beathoven (Soneta in O minor Op 31 No 27, 300 Ghicago Symphony Orchestra: Debussy (Jesus), Boute (Live d'une our corrient). Schoenbert (Felian):

A:15 Mozert's Chamber Music with Pierro. Merubars of the Brodeky Quarter with Christian Blackshaw (plano): Sonama (K 10-16) (5:16) interval Reading) 2:15 Pierro Tro Is D minor (K442), Plano Quarter in G minor (K442), Plano Quite Scientific of the programmes on nuclear winter, with Colin Touge, 7:50 Rachmaninov: Symphony Or a played by the BBC Symphony Orthestra. 7:48 Nash Ensemble (BBC Symphony Orthestra. 7:48 Nash Ensemble (Roort Falicity Lord (Soprano): Spohir (Monet Op 31), Schulbert (The Shepherd on the Rock) (2:25 Arnella Freedmen and contespoes recalt 2:2 years of the Nash Ensemble) that Rock (Roort March (Violin) playe Symptomovski's Violie Concento No 1 with the Leningrad Philharmonic. 19:50 Third Ear in Hungary, Writters discuss the Impact of political change on the culture of Hungary. 10:30 The Persenverunce in the Saintz. Music and readings from Edingson Priory Church, Willahaire, recorded during the 1988 Festival of Music within the Uturgy. 17:30 Music for Certition played by Ponsid Leith in the Kirk of & Micholes, Aberdeen. 12:08-12:05 am News.

RADIO 4

